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Abbreviations and Acronyms

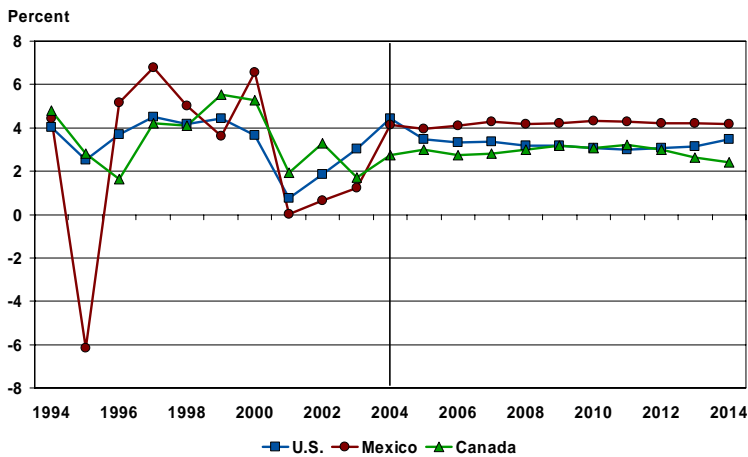
AI	avian influenza
AWB	Australian Wheat Board
BSE	bovine spongiform encephalopathy
CAP	Common Agricultural Policy
CIF	cost, insurance, and freight
CIS	Commonwealth of Independent States
cwt	hundredweight
EBA	Everything But Arms
EU	European Union (Enlarged)
EU-15	European Union (original 15 member countries)
EU NMS	European Union New Member States (10 new members)
FMD	foot-and-mouth disease
FOB	free on board
GDP	gross domestic product
ha	hectare
kg	kilogram
MBM	meat and bone meal
mha	million hectares
mmt	million metric tons
mt	metric ton
NAFTA	North American Free Trade Agreement
NFD	nonfat dry milk
OTMS	over-thirty-month scheme
ROW	Rest of World
SPS	sanitary and phytosanitary
tmt	thousand metric tons
TRQ	tariff rate quota
WMP	whole milk powder
WTO	World Trade Organization

World Agricultural Outlook Briefing Book

Charts, Highlights, and Tables

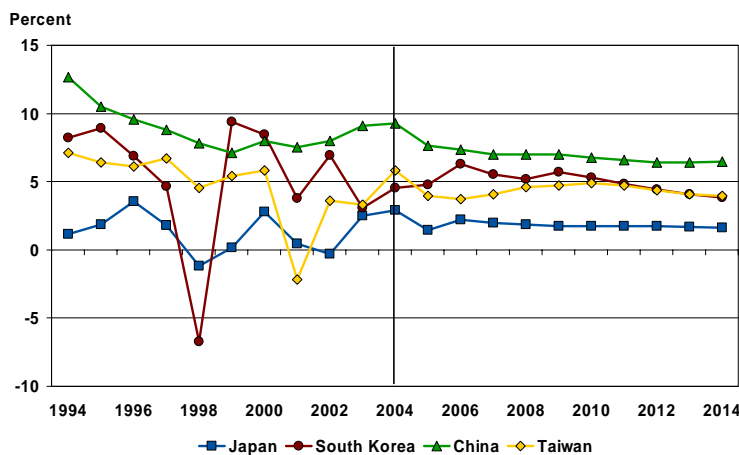
Macroeconomic Factors Affecting World Agriculture

NAFTA Real GDP Growth Rates



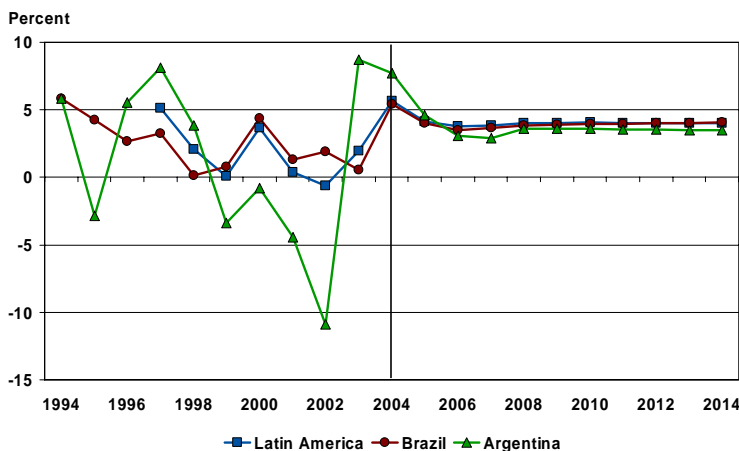
In 2004, NAFTA economies grew at a solid pace, with growth of 2.7% for Canada, 4.1% for Mexico, and 4.4% for the United States. Their growth is projected to continue in the coming decade, with average annual growth rates of 2.9%, 4.2%, and 3.2%, respectively. Price inflation in the three countries is expected to remain moderate during the outlook period.

Asian Real GDP Growth Rates



The outlook for the Asian economies is unchanged, with an average annual real growth rate of 3.6%, and with highest growth rates (5% to 7%) predicted for China, Vietnam, Thailand, and India for the decade. East Asia is growing strongly as well. Japan's economy grew 2.9% in 2004 and is projected to grow just below 2% for the outlook period. Price deflation in Japan stops in 2006 and inflation remains low in the rest of Asia.

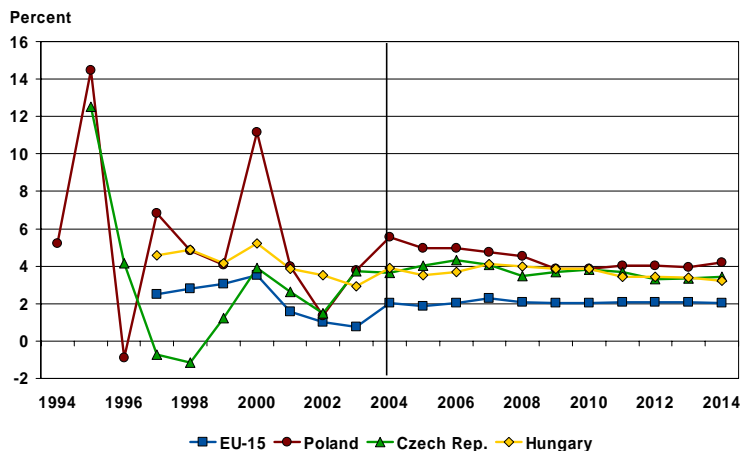
Latin American Real GDP Growth Rates



Argentina boomed in 2004, with a 7.7% growth rate, and growth will continue at around 3.5% annually until 2014. Brazil's economy grew strongly (5.4%) in 2004 and will continue to grow at about 4% per year during the coming decade. The Latin America region will grow at a 4% average annual rate during the outlook period. Price inflation is expected to be moderate in most of the Latin America region.

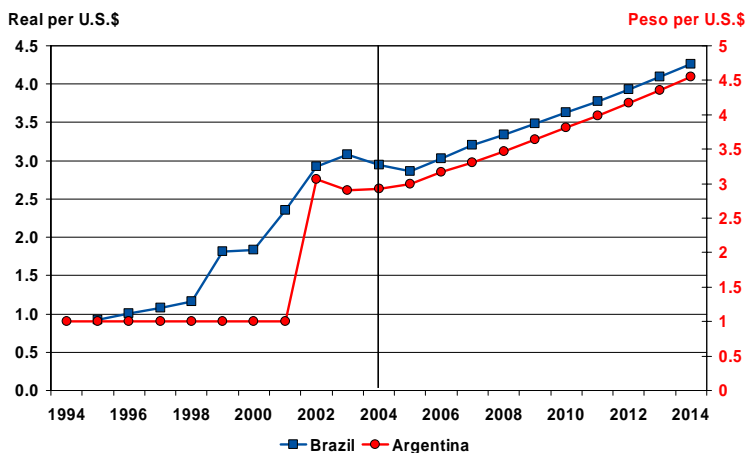
Macroeconomic Factors Affecting World Agriculture

EU-15 Real GDP Growth, Enlargement, & CAP Reform



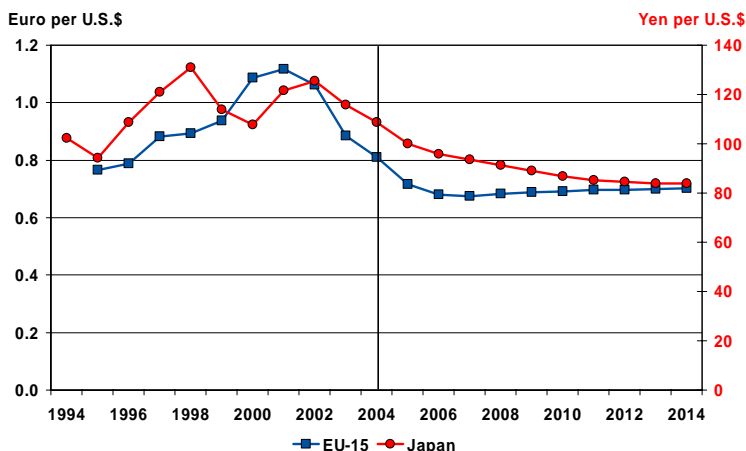
The EU-15 region's recovery consolidated in 2004, with a 2% growth rate. Aggregate annual growth will hover around 2% for the outlook period. The NMS in aggregate grew at 4.9% in 2004. The NMS will converge with the EU-15, with an annual aggregate growth rate above 4%. Agriculture in the EU is facing CAP reforms, leading to further decoupling of production from farm support, greater exposure to market incentives, and greater environmental regulation. Border measures have been harmonized with the EU.

Exchange Rate Projections



The Brazilian and Colombian currencies appreciated against the U.S. dollar in 2004. They will again in 2005, and so will Uruguay's currency. With these exceptions, all Latin American countries continue to devalue their currency relative to the U.S. dollar from 2005 on, with variable average annual nominal devaluation rates. For most countries, high inflation rates relative to the United States erode their nominal devaluation.

Exchange Rate Projections



The currencies of most industrialized countries strongly appreciated relative to the U.S. dollar in 2004. These appreciations continue in 2005 and then progressively taper off and eventually reverse themselves slightly during the outlook period. The appreciation of the euro and Australian dollar will stop in 2008. New Zealand's currency follows similar patterns, with appreciation stopping in 2007. The yen continues to appreciate against the U.S. dollar for the whole outlook period but at a decreasing rate.

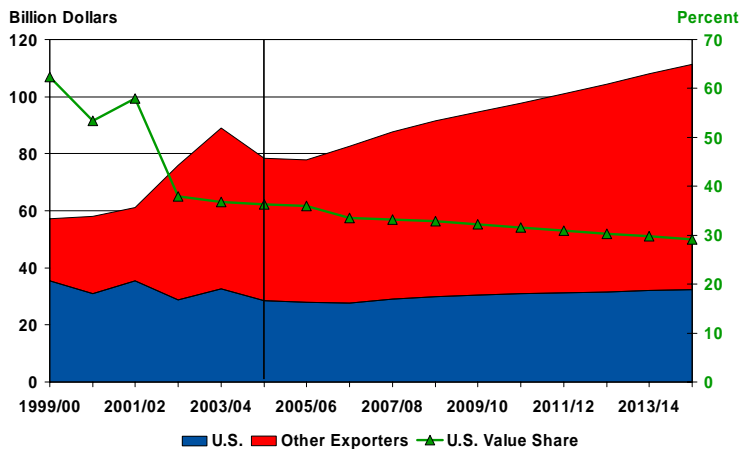
Macroeconomic Growth Projections

	Real GDP			GDP Deflator			Exchange Rate*		
	2004	2009	2014	2004	2009	2014	2004	2009	2014
	(Annual Growth Rate in Percent)								
World	3.9	3.1	3.1						
Developed Market Economies									
Australia	3.7	2.6	2.5	3.1	2.3	2.3	-11.5	0.0	-0.4
Canada	2.7	3.2	2.4	3.2	1.7	1.8	-6.6	0.5	-0.6
European Union-15	2.0	2.0	2.1	2.9	1.9	1.8	-8.5	0.7	0.4
Japan	2.9	1.8	1.6	-1.3	1.5	2.0	-6.3	-2.6	-0.3
New Zealand	4.9	2.6	2.8	2.9	2.9	2.8	-11.8	-0.1	0.0
Switzerland	1.7	1.7	1.7	0.8	1.4	1.6	-7.0	0.7	0.4
United States	4.4	3.2	3.5	2.1	2.2	2.5			
Developing Market Economies									
Africa	4.6	4.5	4.1						
Algeria	6.1	6.2	5.0	7.6	2.3	2.5	-7.0	1.0	1.2
Egypt	3.6	5.4	5.1	4.2	4.3	4.3	5.8	2.9	2.9
Nigeria	5.4	4.7	4.8	8.0	8.9	8.9	2.9	4.4	4.5
South Africa	2.7	3.3	2.7	5.2	4.3	5.0	-13.7	5.7	2.0
Tunisia	5.6	5.4	5.1	2.5	2.5	2.4	-3.1	1.4	1.2
Asia	4.5	3.7	3.5						
China	9.3	7.0	6.5	7.1	3.1	3.3	0.0	-2.3	-0.4
Hong Kong	7.7	5.4	3.8	-2.2	1.5	1.8	0.0	0.0	0.0
India	5.7	5.4	5.4	6.8	4.9	3.9	-2.5	1.4	0.6
Indonesia	4.9	4.6	4.8	5.4	3.2	3.7	3.9	0.1	0.6
Malaysia	7.1	4.7	4.5	5.9	0.6	1.0	0.0	-1.2	-0.4
Pakistan	6.4	3.7	3.6	6.2	5.7	5.1	0.7	3.6	2.7
Philippines	5.8	4.6	4.6	4.0	4.4	3.1	3.4	1.3	0.2
South Korea	4.5	5.7	3.8	3.7	2.7	2.3	-3.2	0.6	0.5
Taiwan	5.8	4.7	4.0	-1.1	1.7	2.3	-3.0	-1.4	-1.3
Thailand	6.1	5.2	5.3	4.9	2.5	3.1	-2.8	-2.0	-0.9
Vietnam	7.5	6.8	6.4	6.0	3.2	3.1	1.4	1.1	1.0
CIS	7.7	4.8	4.1						
Russia	7.0	4.3	3.8	14.2	5.4	4.2	-5.9	0.3	-2.1
Ukraine	11.2	4.5	4.4	12.1	5.0	3.9	-0.2	-2.7	-1.4
EU New Member States	4.9	4.0	3.9	1.2	2.5	2.3			
Czech Republic	3.6	3.7	3.4	3.7	2.3	1.8	-8.0	0.7	0.4
Estonia	6.3	5.3	4.5	2.9	2.7	2.7	-8.5	0.7	0.4
Hungary	3.9	3.8	3.2	5.4	2.1	2.3	-8.8	0.7	0.4
Latvia	8.1	5.7	4.9	7.0	4.1	3.8	-5.1	0.7	0.4
Lithuania	6.6	5.3	4.3	2.7	2.4	1.9	-8.6	0.7	0.4
Poland	5.6	3.9	4.2	2.4	2.6	2.4	-3.5	0.7	0.4
Slovakia	5.3	4.6	4.0	5.1	2.4	2.2	-11.5	0.7	0.4
Slovenia	3.9	4.0	3.7	3.6	2.2	2.7	-6.5	0.7	0.4
Latin America	5.7	4.0	4.0						
Argentina	7.7	3.6	3.5	8.5	8.1	7.8	0.7	4.9	4.4
Brazil	5.4	3.9	4.1	7.2	7.6	7.3	-4.3	4.2	4.0
Colombia	3.6	4.1	3.7	5.3	5.0	4.4	-8.0	4.0	3.0
Mexico	4.1	4.2	4.2	6.3	5.3	5.2	4.7	2.5	2.4
Uruguay	11.0	3.7	3.9	9.9	4.5	4.4	2.4	2.5	2.4
Venezuela	16.4	4.1	3.9	27.1	11.6	9.3	17.5	12.7	6.9
Middle East	5.6	3.9	3.6						
Iran	5.8	4.4	4.2	14.1	7.5	8.0	4.9	7.0	7.0
Israel	3.6	3.5	3.1	2.7	3.2	3.5	-1.3	2.1	2.2
Saudi Arabia	6.1	3.5	3.5	8.5	1.7	1.8			
Other Eastern Europe	6.0	5.1	4.3						
Bulgaria	5.0	3.8	3.2	4.6	2.9	2.6	-8.5	0.7	0.4

Source: International Financial Statistics January 2005 and Projections after 2004 are from Global Insight (formerly DRI-WEFA).

* Local Currency per U.S. Dollar

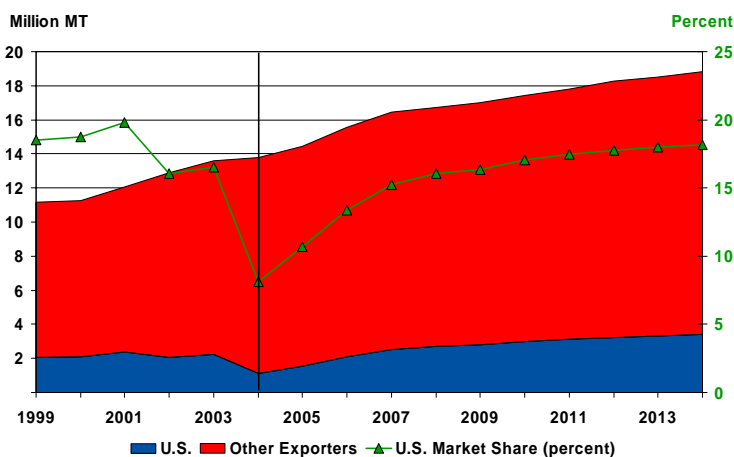
World Crop Trade and U.S. Value Share



Crops include wheat, rice, corn, sorghum, barley, soybean, rapeseed, peanuts, and sunflower

The value of world crop trade is projected to grow 3.6% annually on average, adding \$33 billion over the next 10 years. Shares of corn, sorghum, rice, soy complex commodities, and palm complex commodities in the total value of exports increase at the expense of other commodities. Although the value of U.S. exports increases over the baseline, the U.S. value share decreases from 36.2% in 2004/05 to 29.1% in 2014/15.

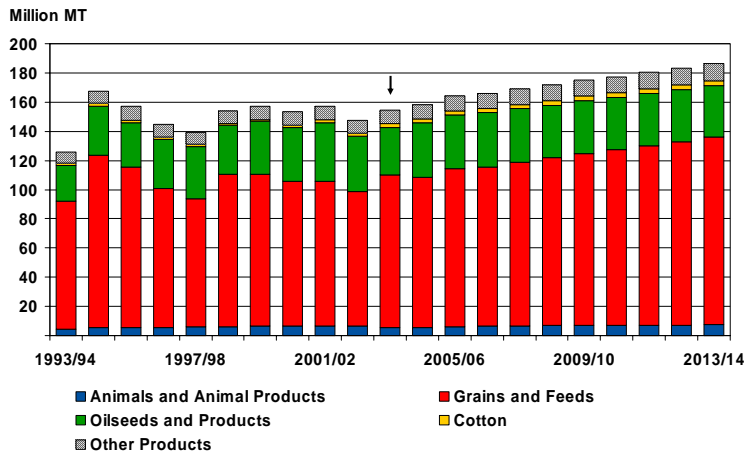
World Meat Trade and U.S. Market Share



The U.S. share of total meat trade dipped to record lows at 8.1% in 2004 when beef exports dropped by 82.8% after major export destinations closed their borders following the confirmed BSE case in the U.S. Quick measures taken to restore consumer confidence in the safety of U.S. beef reopens these markets in 2005, and trade reaches pre-crisis levels after three years. Continued strong growth in pork and poultry exports, coupled with the reopening of beef markets, enables the U.S. to regain its trade share. The U.S. trade share reaches 18.2% in 2014, which approaches rates during the period of high trade shares in the early 2000s.

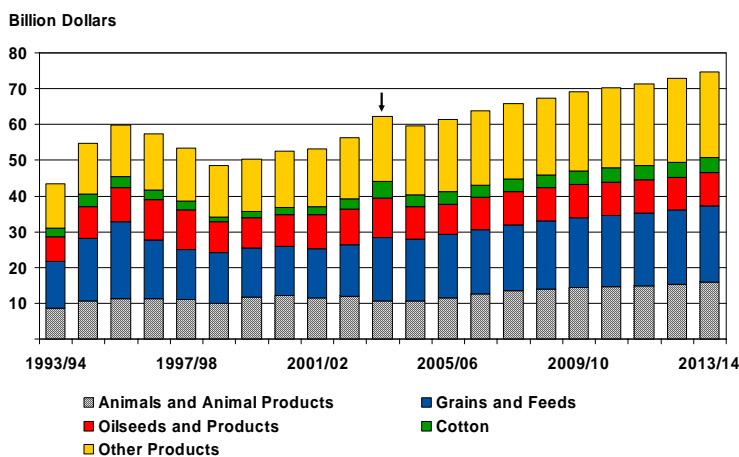
Outlook for U.S. Agricultural Exports

Quantity of U.S. Agricultural Exports



A 24 mmt rise in grain and feed exports accounts for 74% of the increase in the volume of total exports. Indirect exports of corn—measured by the feed-grain equivalent of beef, pork, and poultry exports—are projected to return to normal levels and reach 7.3 mmt by 2014, an increase of nearly 60% above the unusually low level in 2004. In 2004 the volume of oilseed and oilseed product exports hit the lowest level since 1997, but it is projected to return to the five-year average and remain stable over the 10-year period. Consistent with the long-term trend, animals and animal product exports start to recover in 2006 and are anticipated to continue increasing.

Value of U.S. Agricultural Exports



Relatively weak wheat and oilseed prices drive the total value of agricultural exports down by 4% in 2005. The value of U.S. exports is projected to increase 20% by 2014. The gradual increase in the value of U.S. exports is explained by a combination of slow growth in total export volume and a bearish outlook for world livestock prices. With the resumption of normal trade flows in 2006/07 and assuming no future SPS problems, the value of animal and animal-product exports rises 51% over the baseline, accounting for 43% of the total growth in the value of U.S. exports. In spite of the projected trend in livestock prices, the expected growth in high-value agricultural exports accounts for most of the \$12 billion increase in the value of U.S. agricultural exports over the baseline.

Quantity of U.S. Agricultural Exports

	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	(Thousand Metric Tons, Fiscal Year ‡)										
Animals and Animal Products	5,605	5,554	5,970	6,440	6,682	6,803	6,935	7,061	7,176	7,278	7,418
Grains and Feeds	104,280	102,737	108,616	109,117	112,243	115,085	117,933	120,196	122,848	125,575	128,365
Wheat (Unmilled and Flour)	31,148	27,312	25,823	26,627	27,039	27,314	27,658	27,911	28,108	28,398	28,708
Rice (Paddy Milled)	3,713	3,823	4,098	4,272	4,284	4,287	4,264	4,254	4,241	4,228	4,222
Feed Grains and Products	55,234	56,200	62,587	61,879	64,277	66,386	68,433	69,973	71,976	73,971	76,002
Other Grains and Feeds	14,185	15,401	16,108	16,339	16,641	17,098	17,579	18,058	18,524	18,978	19,433
Oilseeds and Products	32,413	37,521	36,689	37,232	36,687	35,978	36,048	35,839	35,719	35,651	35,651
Cotton (excl. Linters)	2,967	2,723	2,918	2,878	2,923	2,999	3,073	3,097	3,113	3,151	3,195
Other Products	9,002	9,600	10,141	10,354	10,576	10,775	11,039	11,244	11,454	11,732	12,002
Total	154,267	158,135	164,333	166,021	169,110	171,639	175,029	177,436	180,309	183,388	186,631

Value of U.S. Agricultural Exports

	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	(Million U.S. Dollars, Fiscal Year ‡)										
Bulk Commodities *	30,882	27,552	27,686	28,173	29,025	29,659	30,344	30,877	31,404	31,971	32,558
High-Value Products †	31,416	32,133	33,749	35,624	36,819	37,733	38,689	39,402	39,985	40,924	42,103
Animals and Animal Products	10,595	10,696	11,551	12,675	13,484	13,973	14,419	14,700	14,950	15,295	15,994
Meat and Meat Products	3,700	3,588	4,289	5,115	5,642	5,901	6,109	6,175	6,206	6,335	6,675
Poultry and Poultry Products	2,512	2,838	2,875	2,921	2,984	3,039	3,080	3,118	3,158	3,213	3,294
Dairy Products	1,321	1,319	1,273	1,307	1,351	1,368	1,389	1,413	1,422	1,436	1,468
Hides and Skins	1,766	1,777	1,911	2,045	2,180	2,317	2,464	2,596	2,733	2,883	3,042
Other Animal Products	1,296	1,173	1,203	1,286	1,325	1,347	1,376	1,398	1,431	1,429	1,516
Grains and Feeds	17,859	17,211	17,681	17,857	18,487	18,985	19,462	19,868	20,299	20,772	21,237
Wheat (Unmilled and Flour)	5,092	4,437	4,034	4,202	4,346	4,445	4,573	4,677	4,762	4,870	4,974
Rice (Paddy Milled)	1,209	1,090	1,141	1,217	1,257	1,292	1,321	1,361	1,399	1,436	1,465
Coarse Grains	6,938	7,063	7,833	7,725	8,125	8,443	8,725	8,959	9,233	9,531	9,831
Corn	5,841	6,118	6,800	6,755	7,146	7,450	7,708	7,915	8,149	8,408	8,673
Other Feed Grains	1,097	945	1,033	970	979	992	1,017	1,044	1,084	1,123	1,158
Feeds and Fodders	4,620	4,622	4,672	4,713	4,758	4,805	4,843	4,872	4,905	4,935	4,967
Oilseeds and Products	11,099	9,137	8,547	9,057	9,266	9,266	9,307	9,266	9,251	9,237	9,248
Soybeans	7,463	5,731	5,129	5,381	5,538	5,547	5,558	5,556	5,566	5,560	5,550
Soybean Meal	1,061	1,044	1,098	1,234	1,269	1,265	1,279	1,245	1,219	1,207	1,210
Soybean Oil	288	316	347	407	399	393	404	404	406	412	430
Other Oilseeds and Products	2,287	2,045	1,972	2,035	2,061	2,061	2,066	2,061	2,059	2,057	2,059
Tobacco, Unmanufactured	1,050	1,418	1,430	1,433	1,431	1,432	1,434	1,435	1,438	1,440	1,443
Cotton and Linters	4,511	3,191	3,447	3,502	3,569	3,695	3,891	4,017	4,102	4,198	4,327
Horticulture and Other Products	17,185	18,031	18,781	19,272	19,607	20,040	20,521	20,992	21,350	21,952	22,411
Total	62,299	59,685	61,436	63,796	65,845	67,392	69,034	70,279	71,389	72,895	74,661

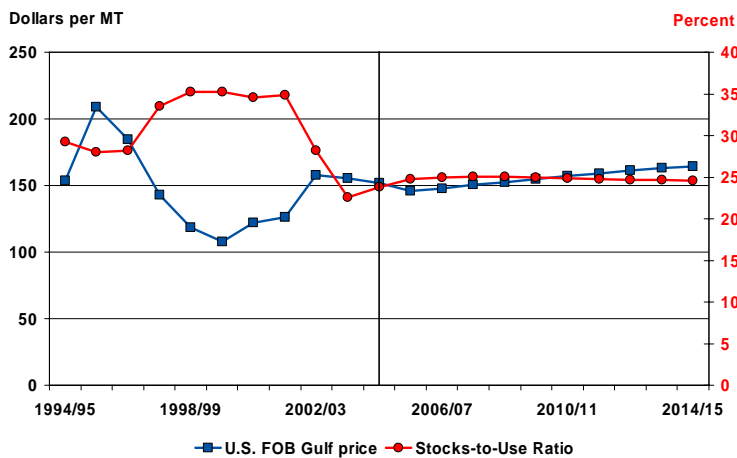
* Bulk Commodities include wheat, rice, coarse grains, soybeans, cotton, and tobacco.

‡ Fiscal year starts in October of the first year and ends in September of the second year. Export values and quantities are adjusted to fit this time period.

† High-value is total exports minus bulk commodities.

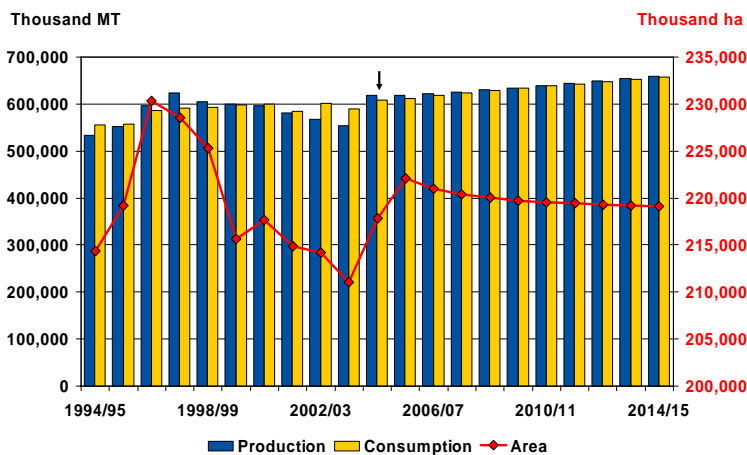
Wheat Outlook

World Wheat Stocks-to-Use Ratio vs. Price



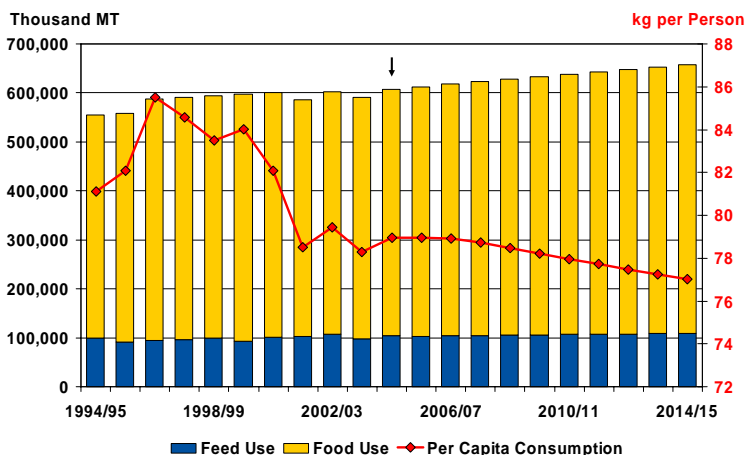
The world wheat price was \$152 per mt in 2004/05, and it is projected to decrease to \$145.7 per mt in 2005/06. Although production is slightly lower in 2005/06, higher stock levels increase supply in the world market, leading to a decline in the world wheat price. The average annual growth rate of the wheat price is 0.8% in the next 10 years. The stocks-to-use ratio was slightly higher at 23.7% in 2004/05, and it is projected to increase to 24.7% in 2005/06.

World Wheat Area, Production, and Consumption



In 2004/05, world wheat area was larger, as the area recovered in the EU, Eastern Europe, and CIS after the unfavorable weather conditions of the previous year. Wheat area is projected to increase by 4.2 mha in 2005/05 to reach 222.1 mha. The main sources of this increase are Australia, Canada, and CIS. Production is projected at 618.5 mmt in 2005/06 and 658.5 mmt in 2014/15.

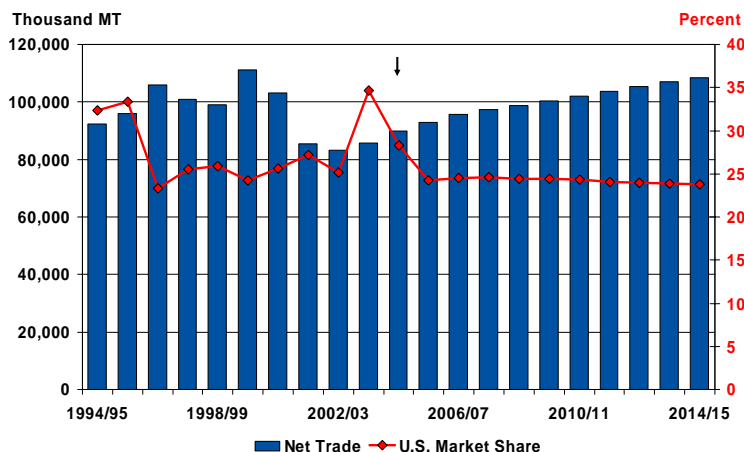
World Wheat Feed, Food Use, and Per Capita Consumption



Per capita consumption of wheat continues its downward trend. Thus, the increase in demand comes from population growth. Consumption grows 0.8% annually on average, reaching 657.7 mmt in 2014/15. Food use reaches 548 mmt in 2014/15, with the main source of the demand increase coming from Asian, Middle Eastern, and African countries. Feed use reaches 109.6 mmt in 2014/15.

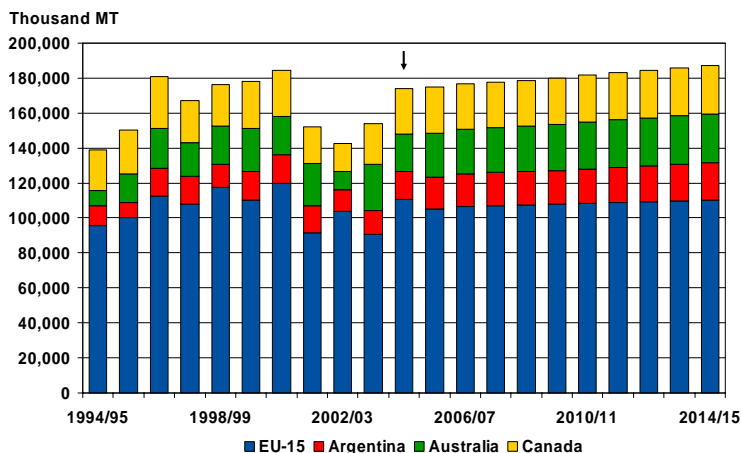
Major Wheat Exporters

World Wheat Trade and U.S. Market Share



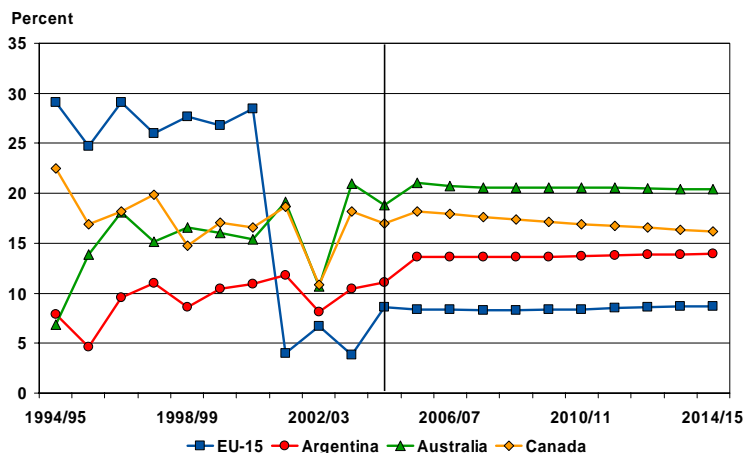
World wheat net trade increases to 92.8 mmt in 2005/06 because of lower prices and higher demand. It grows 1.9% annually on average, reaching 108.4 mmt in 2014/15. The main source of the demand increase is from Asian, Middle Eastern, and African countries that have limited potential to increase production. U.S. market share decreases as competing suppliers increase their market shares. In 2004/05, the U.S. supplied 28.3% of world net trade; by 2014/15 this ratio drops to 23.8%.

Wheat Production by Major Competitors



Wheat production recovered in the EU-15 in 2004/05, aided by area recovery and yield growth. In 2005/06, yield level is projected to return to its average level, decreasing production slightly. Production in the EU-15 is projected to reach 110.4 mmt in 2014/15. Both area and yield increase Argentine production to 21 mmt in 2014/15. Recovery in area and yield levels increase Australian production to 24.9 mmt in 2005/06 and to 28 mmt in 2014/15.

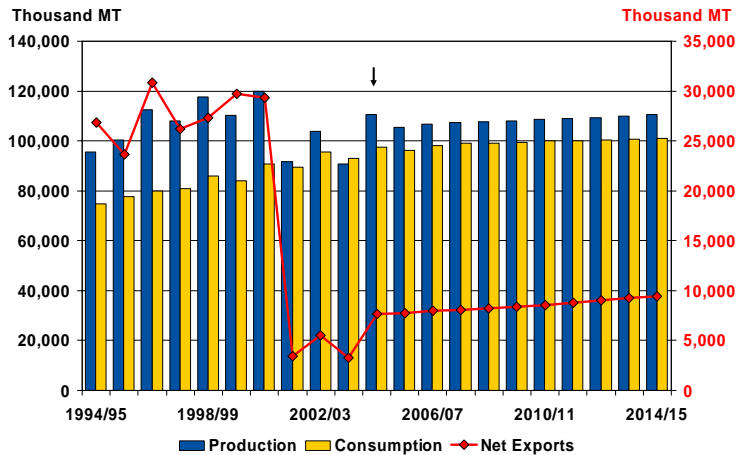
World Wheat Market Shares



The EU-15 recovered its market share in 2004/05 with its increase in production. It is projected to keep its share at approximately the same level over the next 10 years. Argentina continues to increase its market share. Canada and Australia increase their markets shares in 2005/06 with the recovery in their production. However, Canada's market share decreases over the next 10 years as Argentina and CIS are able to meet more of the increasing demand.

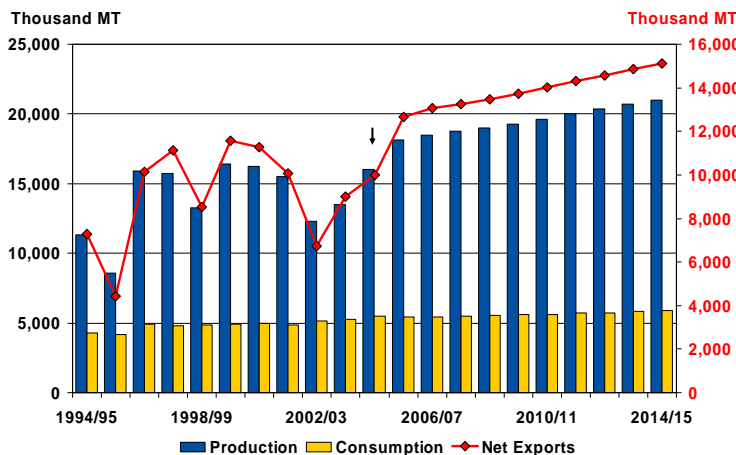
Major Wheat Exporters

EU-15 Wheat Supply and Utilization



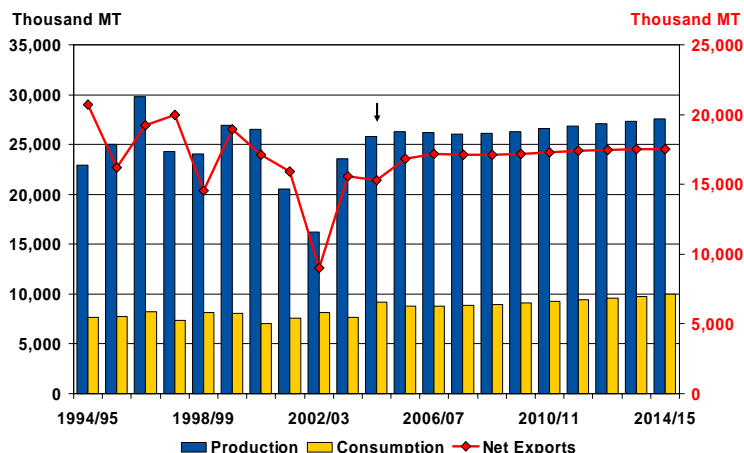
In 2004/05, production recovered with the return to normal weather conditions, high yield growth, and a lower set-aside rate. In 2005/06, the yield level is projected to return to its average level, thus decreasing production to 105.4 mmt. Area decreases slightly over the next 10 years, so the production increase comes from yield growth. Food use grows 0.1% annually on average, reaching 51.3 mmt in 2014/15. Feed use reaches 49.7 mmt in 2014/15. Net exports reach only 9.4 mmt in 2014/15, hindered by the strong euro.

Argentine Wheat Supply and Utilization



In Argentina, area and yield are projected to continue their upward trend, increasing production to 18.1 mmt in 2005/06 and to 21 mmt in 2014/15. Consumption grows 0.7% on average annually, reaching 5.8 mmt in 2014/15. Aided by the devaluation of the peso, production growth, and a meager consumption increase, Argentine net exports reach 15.1 mmt in 2014/15.

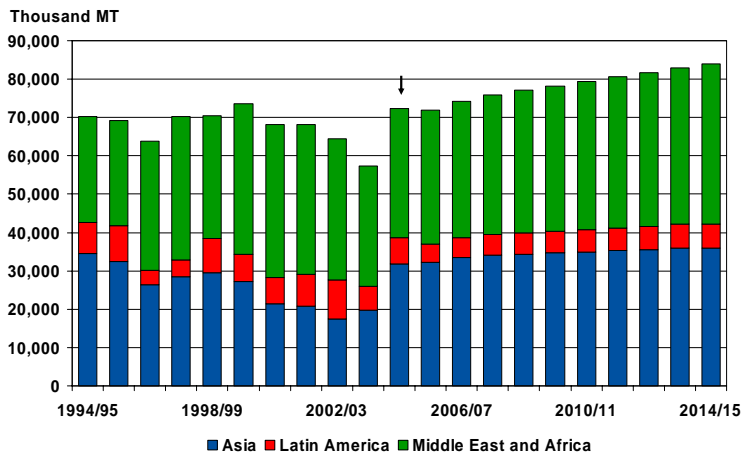
Canadian Wheat Supply and Utilization



Wheat area in Canada was low in 2004/05 because of unfavorable weather conditions. It is projected to recover slightly and stay at that level. Production reaches 27.5 mmt in 2014/15, aided mostly by yield growth. Consumption reaches 9.9 mmt in 2014/15, primarily driven by feed use growth as per capita consumption is declining. Net exports increase to 16.8 mmt in 2005/06 because of a production increase and a consumption decrease. Net exports reach 17.5 mmt in 2014/15.

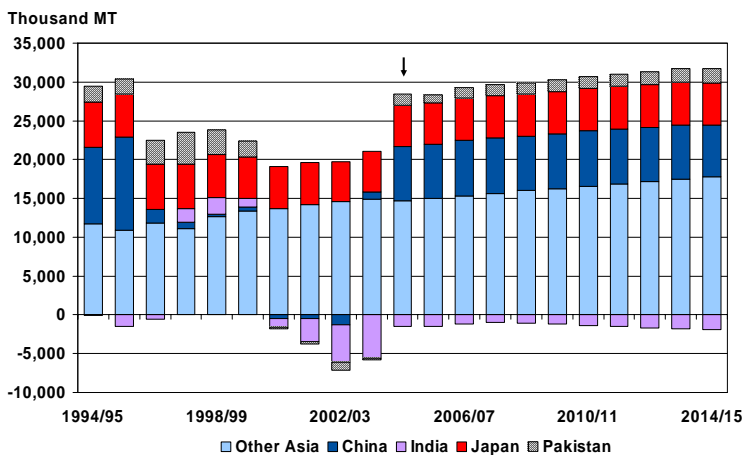
Major Wheat Importers

Wheat Net Imports by Major Regions



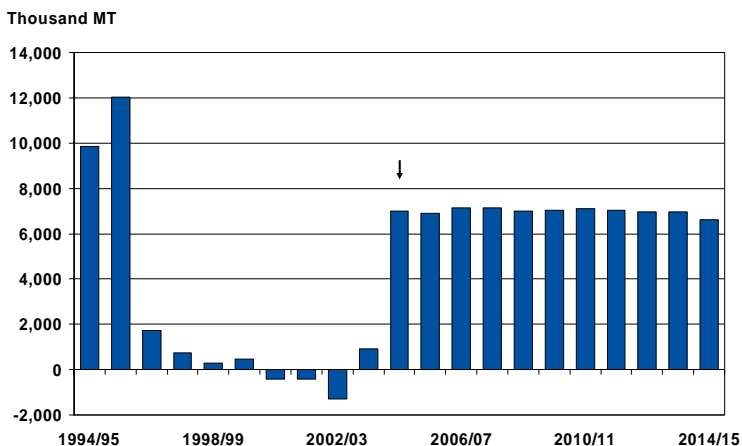
Net imports of Asian countries increase by nearly 4 mmt over the next decade, owing to an increase in food use that comes from population growth. Trade liberalization has increased imports in the past and continues to do so. Middle Eastern and African countries increase their net imports by 8.1 mmt over the next 10 years. Latin American countries' net imports decrease to 6.3 mmt in 2014/15.

Asian Wheat Net Imports



Asian wheat net imports grow 1.2% annually on average, reaching 35.8 mmt in 2014/15. Japan's net imports reach 5.4 mmt in 2014/15. India is still a net exporter, though its export level decreases considerably. Pakistan's net imports of wheat reach 1.8 mmt in 2014/15.

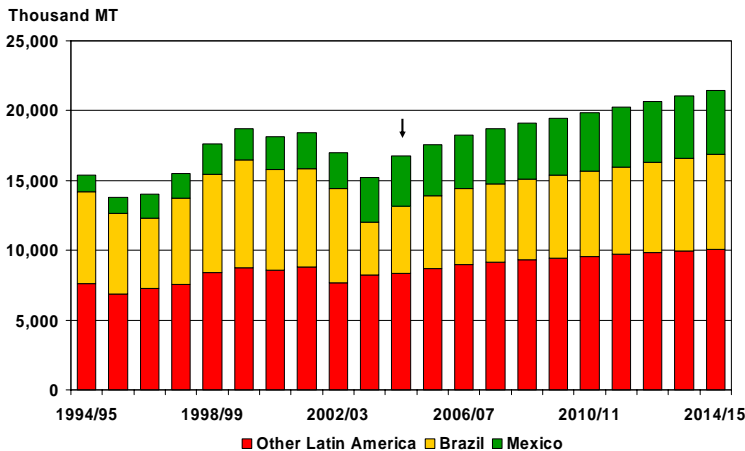
Chinese Wheat Net Imports



In 2004/05, China's wheat net imports increased dramatically, to 7 mmt. Area and yield growth are projected to increase production and reduce net imports in 2005/06, but only slightly. The persistent decline in available stocks has decreased the supply of wheat. Thus, despite increases in production and decreasing per capita consumption, China is projected to remain a wheat net importer over the next 10 years. Net imports reach 6.6 mmt in 2014/15.

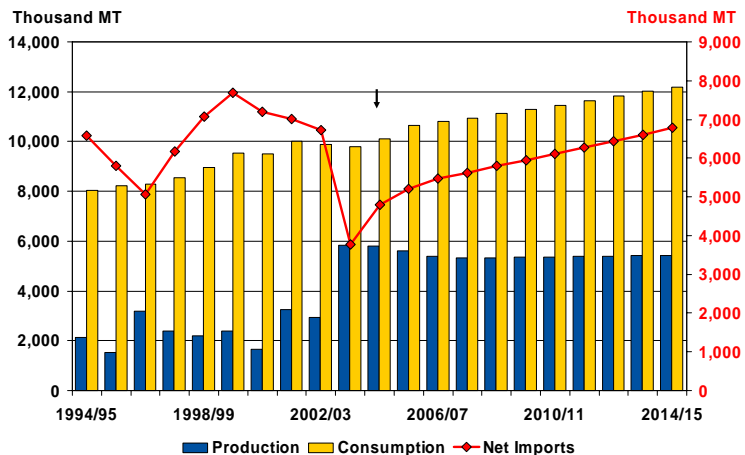
Major Wheat Importers

Latin American Wheat Net Imports



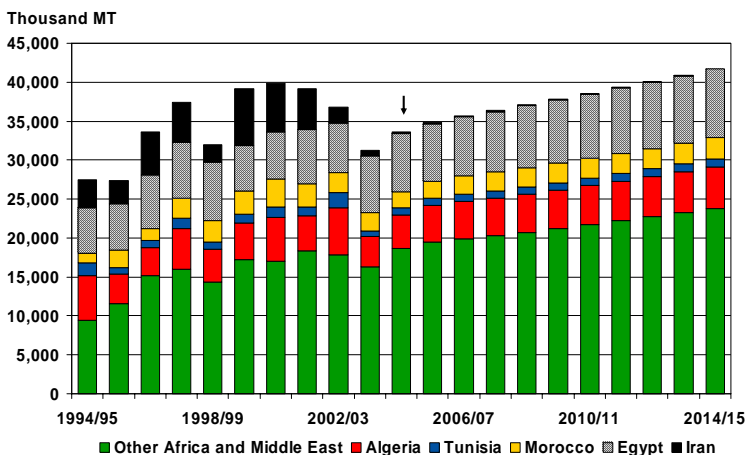
Mexican wheat net imports continue their increasing trend, reaching 4.6 mmt in 2014/15. Increasing per capita consumption combined with population growth is the main source of this demand increase. Other Latin American countries' net imports reach 8.7 mmt in 2005/06 and 10 mmt in 2014/15.

Brazilian Wheat Supply and Utilization



Wheat production in Brazil has increased in the past few years, mainly because of area growth. Area is projected to be relatively stable in the next decade, hindering production growth. Consumption grows 1.9% on average annually, reaching 12.1 mmt in 2014/15 because of population growth and a per capita consumption increase. Combined with consumption growth, the stagnation in production growth increases Brazil's wheat net imports to 6.7 mmt in 2014/15.

African and Middle Eastern Wheat Net Imports



Population growth is the driver of the consumption increase in African and Middle Eastern countries as their per capita consumption is projected to continue its downward trend. African and Middle Eastern countries' wheat net imports reach 34.8 mmt in 2005/06 and 41.7 mmt in 2014/15. Egypt's net imports reach 8.8 mmt in 2014/15 with the increase in food use. Iran remains a net importer, though a small one. Algerian net imports reach 5.3 mmt in 2014/15.

Wheat Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	9,990	12,668	13,065	13,261	13,473	13,712	14,011	14,308	14,584	14,865	15,134
Australia	16,925	19,517	19,783	20,003	20,320	20,671	20,992	21,292	21,575	21,853	22,113
Canada	15,300	16,861	17,175	17,099	17,145	17,208	17,274	17,384	17,475	17,524	17,522
EU New Member States	3,175	1,797	1,637	1,668	1,598	1,319	1,366	1,471	1,598	1,697	1,783
European Union-15	7,708	7,749	8,027	8,082	8,194	8,393	8,558	8,827	9,050	9,294	9,460
Other CIS †	1,920	2,950	3,196	3,419	3,638	3,820	3,997	4,143	4,297	4,458	4,623
Russia	4,500	3,662	4,253	4,704	4,998	5,194	5,258	5,387	5,482	5,580	5,662
Ukraine	3,000	3,693	3,767	4,022	4,213	4,327	4,369	4,394	4,389	4,394	4,380
United States	25,447	22,498	23,439	23,937	24,163	24,524	24,819	24,978	25,241	25,573	25,828
Total Net Exports *	89,914	92,854	95,551	97,221	98,807	100,388	102,037	103,713	105,338	107,042	108,436
Net Importers											
Algeria	4,300	4,770	4,837	4,853	4,907	4,962	5,023	5,095	5,159	5,229	5,306
Brazil	4,800	5,208	5,464	5,626	5,794	5,947	6,105	6,271	6,437	6,602	6,777
China	7,000	6,895	7,129	7,159	6,997	7,033	7,102	7,024	6,956	6,978	6,605
Egypt	7,490	7,376	7,576	7,747	7,912	8,059	8,208	8,360	8,513	8,664	8,818
India	-1,480	-1,459	-1,208	-1,025	-1,066	-1,220	-1,393	-1,529	-1,647	-1,804	-1,931
Iran	200	255	158	124	185	153	108	101	78	57	50
Japan	5,250	5,394	5,443	5,456	5,460	5,466	5,475	5,489	5,489	5,482	5,470
Mexico	3,600	3,682	3,835	3,916	3,990	4,072	4,165	4,268	4,376	4,487	4,600
Morocco	2,050	2,160	2,370	2,468	2,513	2,533	2,555	2,587	2,619	2,655	2,701
Other Africa/Middle East	18,685	19,435	19,854	20,253	20,719	21,192	21,683	22,217	22,734	23,270	23,832
Other Asia	14,720	15,058	15,340	15,667	15,986	16,291	16,579	16,902	17,206	17,504	17,808
Other Eastern Europe ‡	-470	671	799	869	933	955	948	938	933	926	913
Other Latin America	8,380	8,701	8,971	9,150	9,300	9,440	9,576	9,716	9,847	9,972	10,095
Pakistan	1,450	950	1,345	1,408	1,443	1,455	1,525	1,595	1,692	1,779	1,888
South Korea	3,875	4,140	4,212	4,260	4,339	4,431	4,519	4,604	4,679	4,742	4,797
Taiwan	1,080	1,136	1,141	1,148	1,159	1,170	1,181	1,194	1,206	1,217	1,229
Tunisia	900	876	899	905	920	933	947	966	981	998	1,018
Rest of World	1,597	1,609	1,640	1,675	1,713	1,757	1,800	1,850	1,895	1,942	1,992
Residual	4,537	4,537	4,537	4,537	4,537	4,537	4,537	4,537	4,537	4,537	4,537
Total Net Imports	89,914	92,854	95,551	97,221	98,807	100,388	102,037	103,713	105,338	107,042	108,436
Wheat Prices	(U.S. Dollars per Metric Ton)										
U.S. FOB Gulf	152.04	145.72	147.33	150.31	152.33	154.99	157.25	159.12	161.26	163.05	164.28
Canadian Wheat Board	145.05	140.68	142.27	145.04	146.61	148.87	150.90	152.56	154.42	156.05	157.22
AWB Limited Export Quote	174.62	166.35	167.08	169.13	170.07	171.70	172.87	173.61	174.62	175.25	175.28
European Union Market	129.63	157.67	158.10	157.83	154.75	155.18	155.62	155.09	155.22	154.68	154.47

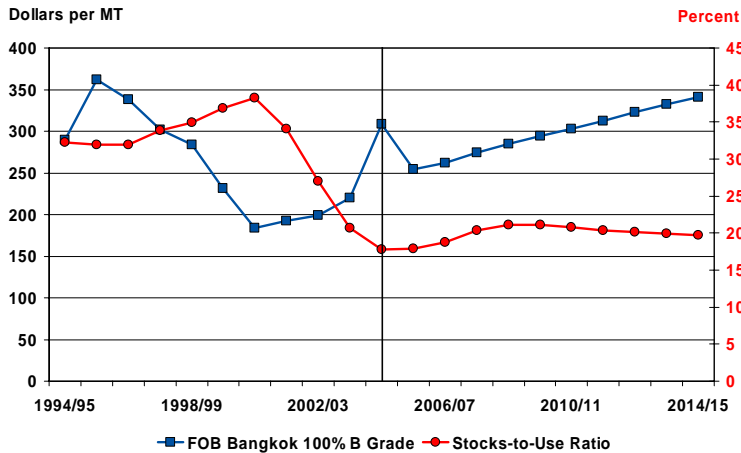
* Total net exports are the sum of all positive net exports and negative net imports.

† Countries included: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan.

‡ Countries included: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia, Montenegro.

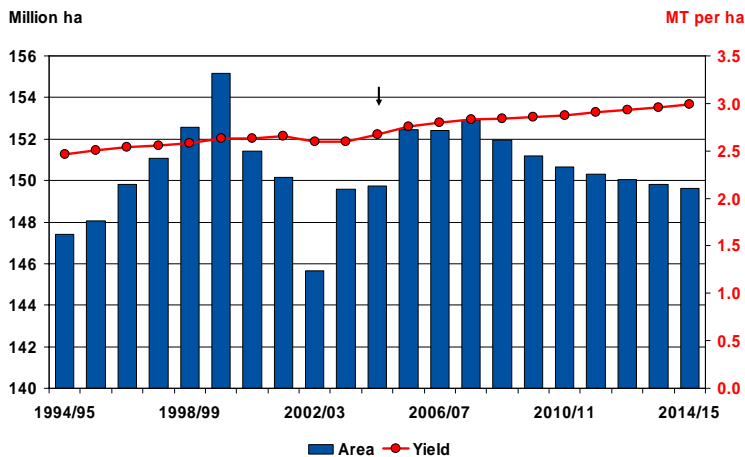
Rice Outlook

World Rice Stocks-to-Use Ratio vs. Price



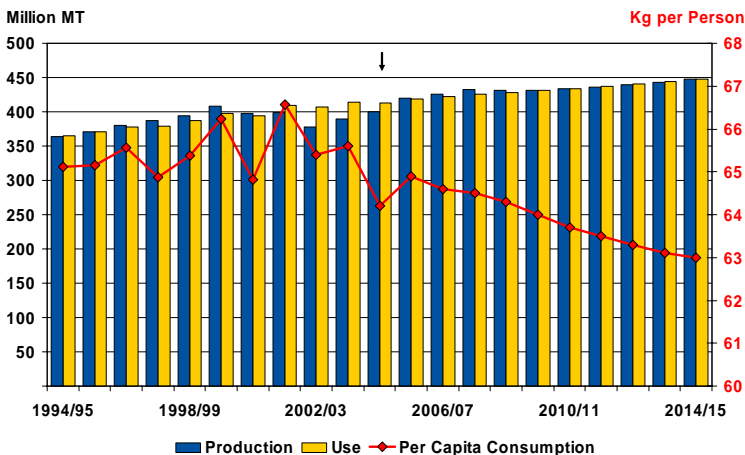
Tight exportable supplies across Asia have resulted in sharply higher Thai export prices in 2004. Over the baseline the export price trends upward, reaching \$341 per mt by 2014. Strong consumption demand, coupled with stocks liquidation by China and India, keeps the stocks-to-use ratio near 20 percent over the baseline.

World Rice Area and Milled Yield



World rice area in 2004 is similar to the 2003 level. Large increases in area in China are offset by area declines in India and Brazil. Higher area in 2005 follows the higher prices of 2004 and continued concern regarding low ending stocks. Over the next decade, world rice area declines slightly as milled yields trend higher, from 2.7 mt per ha in 2004 to 3 mt per ha by 2014.

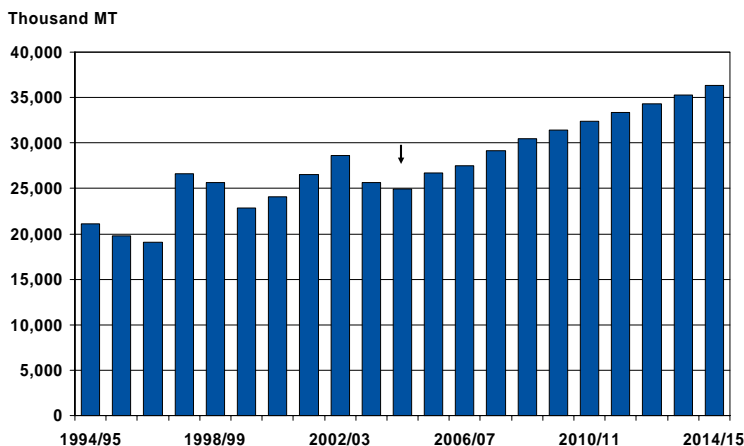
World Rice Production, Use, and Per Capita Consumption



The gap between world rice production and consumption continues in 2004 for the fourth consecutive year. Higher production is expected to close the deficit over the next two years, and supply remains in balance through 2014. World per capita consumption of rice is expected to continue to decline, driven by urbanization, income growth, and diversification of diets in a number of Asian countries.

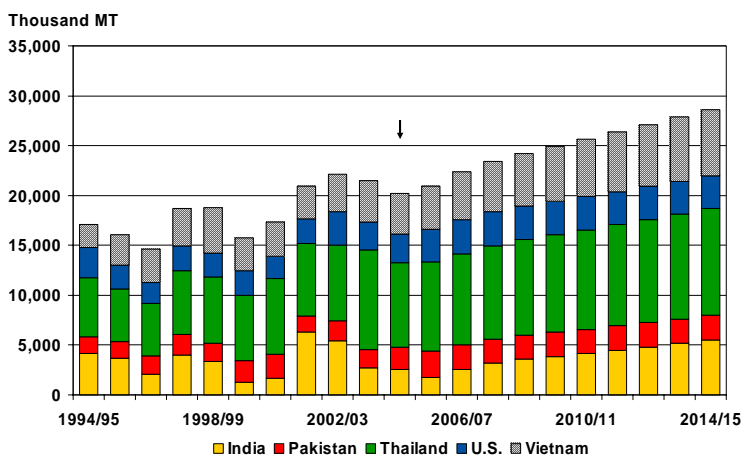
Rice Outlook

World Rice Trade



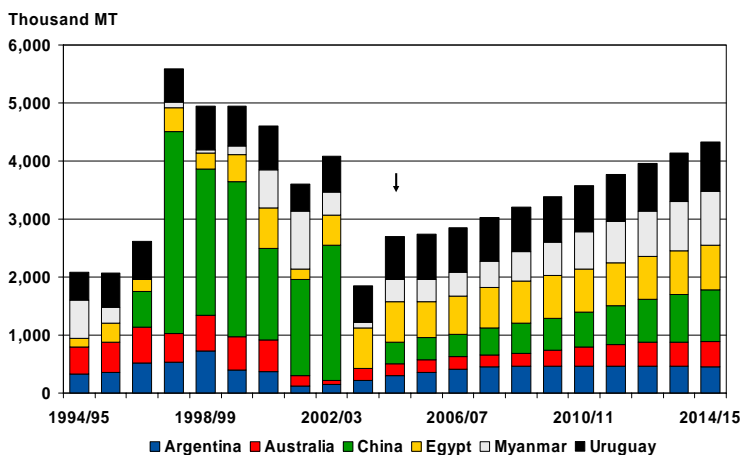
World rice trade is expected to average 3.8% annual growth from 2005 through 2014. By 2014, global rice trade is projected to reach more than 36.3 million tons, over 26% higher than the record set in 2002. Despite the growth, rice trade as a share of world rice consumption is only 8.1% by 2014 and remains small relative to other grains.

Rice Exports by Top Five Exporting Countries



Thailand, Vietnam, and India combined capture 78% of the total growth in world rice exports over the next decade. All three countries experience declines in per capita consumption, which allows growth in production to outpace that of consumption over the long run. Rice exports from the U.S. are expected to be flat, as growth in domestic consumption outpaces growth in output. Pakistan's exports also remain flat over the next decade.

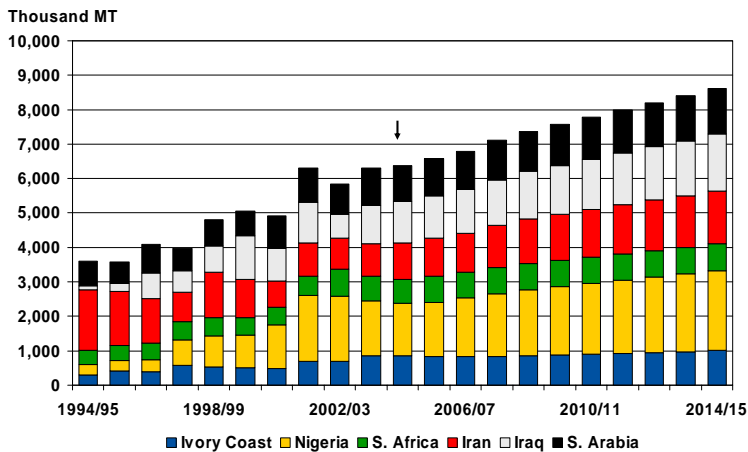
Rice Exports by Other Major Exporting Countries



Exports from China have declined as a result of reduced stocks and exportable supplies. Annual exports from China are expected to grow slightly but remain below 1 million tons over the next decade. Myanmar is also expected to expand exports, while Uruguay and Egypt are expected to have little or no growth. Following recent declines in Australia and Argentina, a small recovery is expected in exports in both countries.

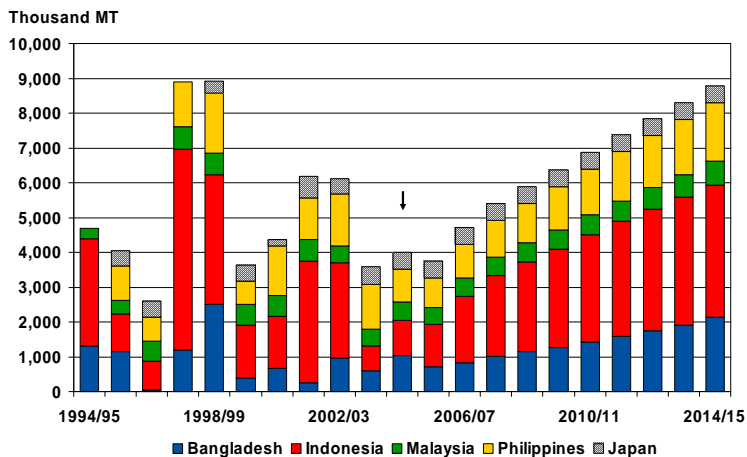
Rice Outlook

African and Middle Eastern Rice Imports



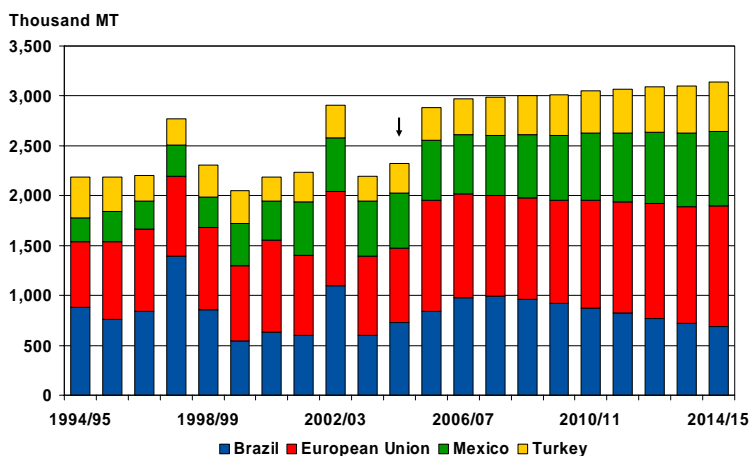
Rising import demand in Africa and the Middle East accounts for more than 25% of the total growth in world rice imports over the baseline. Nigeria is expected to import over 2.3 million tons by 2014. Rice production potential in the Middle East is limited by water constraints. Population growth and rising per capita consumption cause rice imports in Iran, Iraq, and Saudi Arabia to increase.

Asian Rice Net Imports



Despite declining per capita consumption in Indonesia and only a slight growth in Bangladesh, population growth in these two countries causes rice consumption to outpace growth in production. Together their imports account for 39% of the total growth in world rice imports. The Philippines is expected to remain an important rice importer over the projection period. Malaysia's imports increase gradually to 672 tmt by 2014. Japan's imports remain flat without further market access expansion under the WTO.

Other Rice Net Imports



Yield growth and moderate declines in per capita consumption decrease Brazilian rice imports over the baseline period. CAP reform in the EU results in lower production and an increase in imports of rice. Competition from cash crops is expected to prevent growth in Mexico's rice area. Mexico is expected to import up to 750 tmt by 2014. Population growth and rising incomes result in an expansion in rice imports in Turkey; imports reach a level of 491 tmt by 2014.

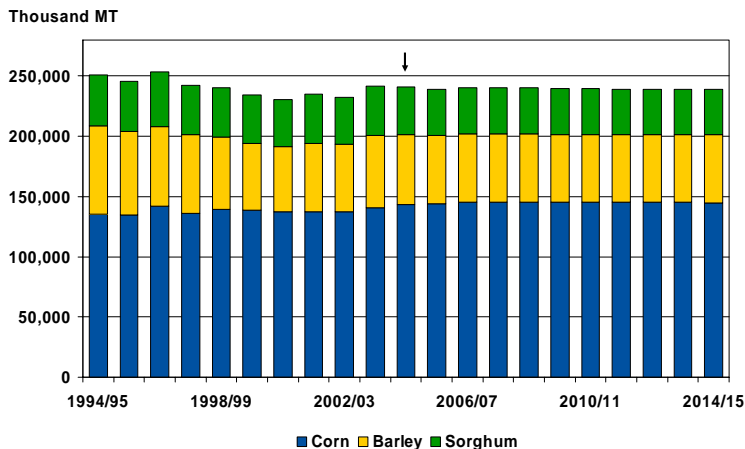
Rice Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	296	358	417	450	465	470	470	468	464	460	456
Australia	215	222	215	213	225	264	321	364	406	415	434
China	366	384	383	460	509	551	612	680	749	824	896
Egypt	700	608	659	702	728	738	738	738	737	750	762
India	2,580	1,741	2,550	3,173	3,569	3,874	4,145	4,486	4,819	5,175	5,532
Myanmar (Burma)	382	381	405	454	512	578	646	716	787	858	929
Pakistan	2,220	2,681	2,460	2,434	2,431	2,436	2,435	2,436	2,436	2,435	2,435
Thailand	8,447	8,936	9,132	9,352	9,559	9,764	9,961	10,162	10,360	10,556	10,747
United States	2,902	3,233	3,414	3,413	3,409	3,372	3,350	3,324	3,298	3,272	3,273
Uruguay	742	792	765	755	764	777	790	801	812	830	850
Vietnam	4,068	4,363	4,840	5,064	5,267	5,503	5,726	5,957	6,189	6,415	6,627
Total Net Exports *	22,917	23,698	25,239	26,469	27,439	28,325	29,193	30,131	31,057	31,990	32,942
Net Importers											
Bangladesh	1,032	702	839	1,010	1,143	1,257	1,421	1,589	1,750	1,919	2,139
Brazil	725	842	978	991	960	917	872	822	770	722	689
Canada	244	262	268	272	276	281	286	291	296	301	306
European Union	750	1,111	1,040	1,007	1,022	1,036	1,085	1,114	1,151	1,172	1,207
China - Hong Kong	309	317	316	315	313	312	311	310	309	308	307
Indonesia	1,016	1,224	1,900	2,324	2,587	2,838	3,089	3,304	3,497	3,678	3,803
Iran	1,051	1,129	1,133	1,241	1,308	1,340	1,384	1,421	1,459	1,499	1,542
Iraq	1,213	1,217	1,268	1,320	1,370	1,417	1,463	1,508	1,553	1,598	1,643
Ivory Coast	857	840	827	840	863	884	908	932	957	981	1,009
Japan	482	482	482	482	482	482	482	482	482	482	482
Malaysia	533	491	524	539	543	551	567	587	610	637	672
Mexico	551	599	591	607	626	647	668	689	711	732	751
Nigeria	1,532	1,570	1,714	1,821	1,915	1,987	2,054	2,124	2,195	2,255	2,319
Philippines	947	855	964	1,046	1,135	1,232	1,320	1,408	1,494	1,587	1,694
Saudi Arabia	1,042	1,082	1,113	1,139	1,166	1,193	1,220	1,246	1,272	1,297	1,323
South Africa	692	745	741	745	752	754	757	759	762	768	775
South Korea	205	205	205	205	205	205	205	205	205	205	205
Taiwan	127	127	127	127	127	127	127	127	127	127	127
Turkey	300	328	364	384	398	413	428	444	459	475	492
Rest of World	9,310	9,569	9,844	10,052	10,246	10,452	10,546	10,769	10,998	11,246	11,459
Total Net Imports	22,917	23,698	25,239	26,469	27,439	28,325	29,193	30,131	31,057	31,990	32,942
Prices	(U.S. Dollars per Metric Ton)										
Thai 100% Grade B	309	254	262	275	285	295	303	313	323	332	341
Thai 5% Broken	297	249	256	268	277	286	294	304	313	322	330
U.S. FOB Gulf Ports	327	301	311	325	334	344	352	362	372	382	390

* Total net exports are the sum of all positive net exports and negative net imports.

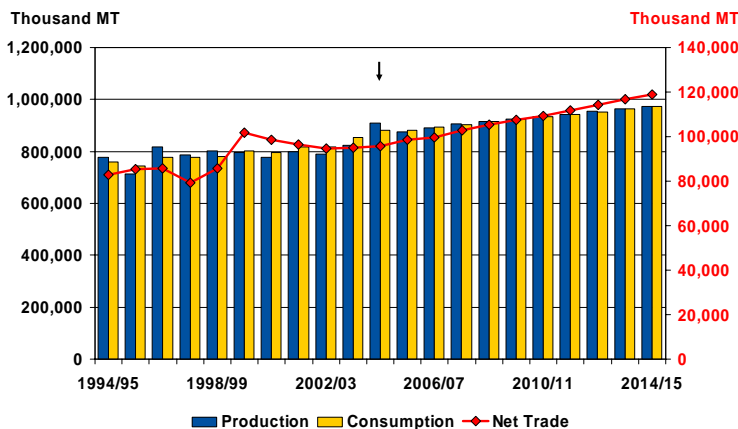
Coarse Grain Outlook

World Coarse Grain Area



The world coarse grain area is expected to decrease by 1.7 mmt to 239.2 mha in 2005/06 with reductions in barley and sorghum areas. Barley and sorghum areas decrease as their returns are lower compared with those of corn and wheat. Corn area increases in 2005/06 mainly because of an increase in area in Latin American countries, where corn has a higher return relative to soybeans. Over the next 10 years, coarse grain area decreases because of falling real prices and competition from wheat and oilseeds.

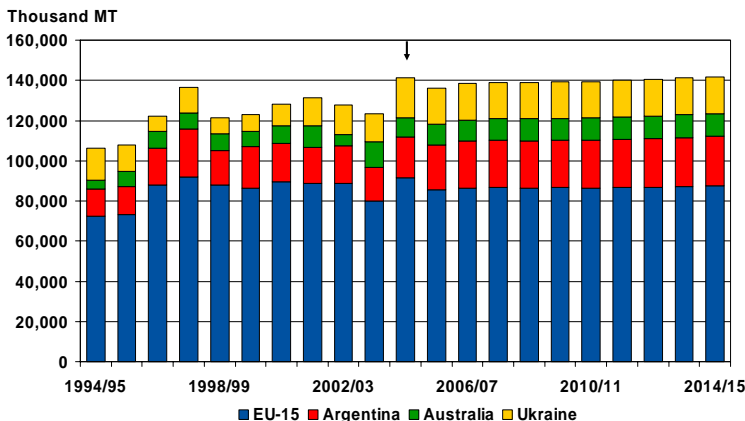
World Coarse Grain Supply and Utilization



World coarse grain production is projected to grow 0.7% annually on average, mainly because of yield increases in all three crops. It reaches 974.4 mmt in 2014/15. Consumption grows nearly 1% annually on average, reaching 973.2 mmt in 2014/15. As consumption increases much more than production, net trade in coarse grains grows 2.2% annually on average. It reaches 119 mmt in 2014/15.

Coarse Grain = Corn, Barley, and Sorghum

Coarse Grain Production by Major Competitors

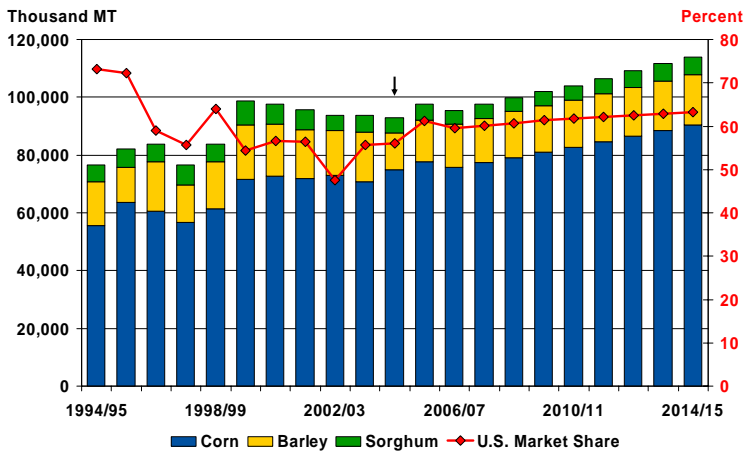


Coarse Grain = Corn, Barley, and Sorghum

Among U.S. competitors in the coarse grain markets, Australia's production grows the fastest, at a 2% annual growth rate followed closely by Argentina at a 1.9% growth rate. Argentine coarse grain production growth is mainly due to corn production growth. The EU-15's production decreases over the next 10 years because of a drop in barley production.

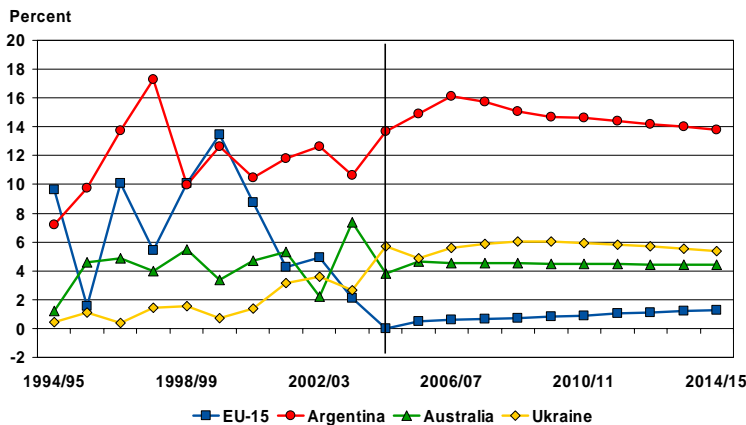
Coarse Grain Outlook

World Coarse Grain Trade and U.S. Market Share



World coarse grain trade is projected to grow at an average annual rate of 2.2%. Barley trade has the fastest growth rate because of a demand increase coming from China and Saudi Arabia. Barley's trade share increases slightly at the expense of corn. The U.S. trade share was 55.9 % in 2004/05 and it increases to 61.1% in 2005/06. It stays at that higher level over the next decade.

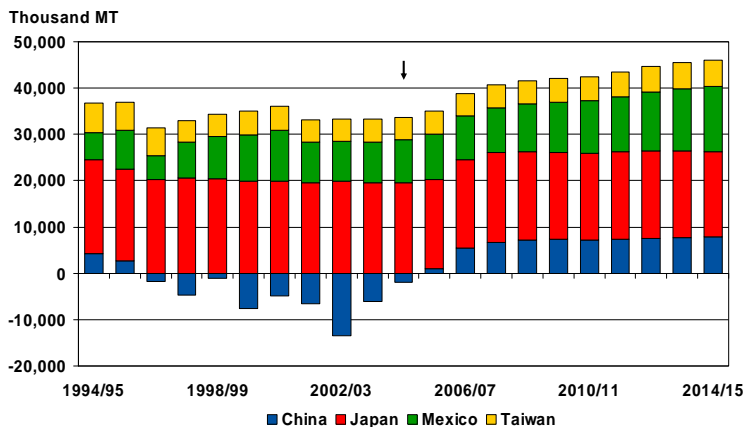
World Coarse Grain Market Shares



Argentina increases its market share in the coarse grain market in 2005/06 because of an increase in its corn exports. The EU-15 increases its market share in 2005/06 but cannot reach its former levels, as barley exports do not recover to their past levels. Australia increases its market share to 4.6% in 2005/06, owing to higher barley exports.

Coarse Grain = Corn, Barley, and Sorghum

Coarse Grain Major Importers

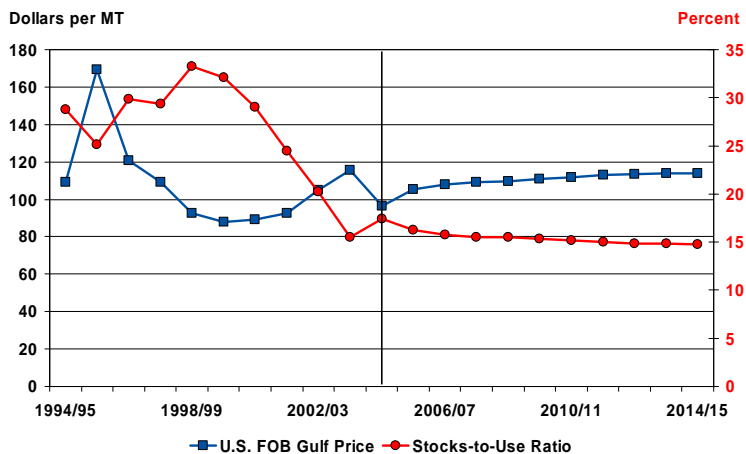


China is projected to become a net corn importer in 2006/07, with net imports reaching nearly 4 mmt in 2014/15. Domestic barley consumption grows more than 3% annually on average, increasing Chinese barley net imports to 3.7 mmt by 2014/15. Japanese coarse grain imports decrease to 18.5 mmt by 2014/15 because of the decline in the livestock industry. Mexican coarse grain imports increase by more than 4 mmt over the next decade, reaching 14 mmt in 2014/15.

Coarse Grain = Corn, Barley, and Sorghum

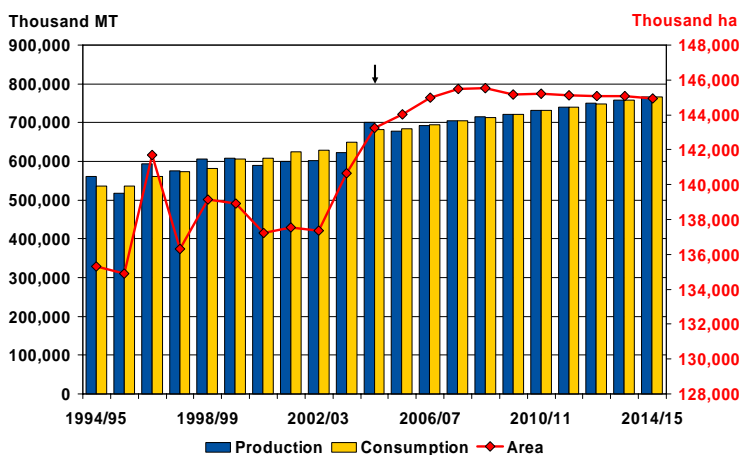
Corn Outlook

World Corn Stocks-to-Use Ratio vs. Price



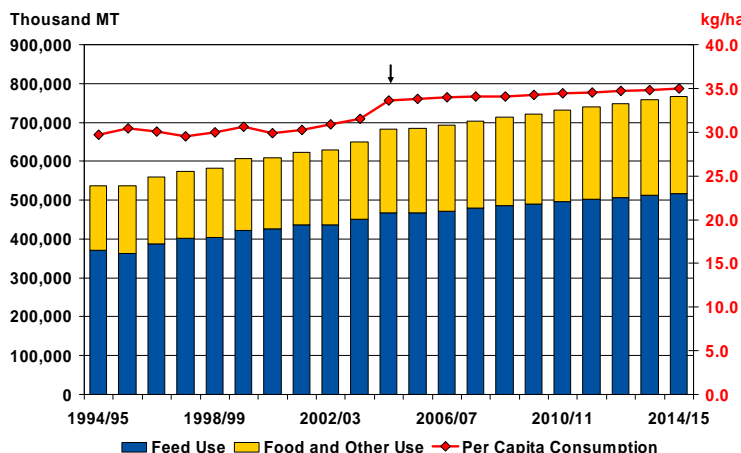
In 2004/05, larger area and yield growth increased world corn production by more than 12%, causing a drop in the corn price to \$96.4 per mt. In 2005/06, with the return to average yield levels, production is projected to decrease. Thus, the corn price increases by 9%, to \$105.2 per mt. The stocks-to-use ratio is 17.4 % in 2004/05; it decreases to 16.2 % in 2005/06.

World Corn Area, Production, and Consumption



In 2005/06, world corn area continues its upward trend, increasing to 144 mha; it reaches 144.9 mha by 2014/15. However, yield levels return to average in 2005/06. Thus, despite the area increase, production decreases by nearly 3%, to 677.5 mmt in 2005/06. Production reaches 767 mmt in 2014/15. Consumption increases in 2005/06 to 684.9 mmt because of a food use increase. Consumption reaches 765.9 mmt in 2014/15.

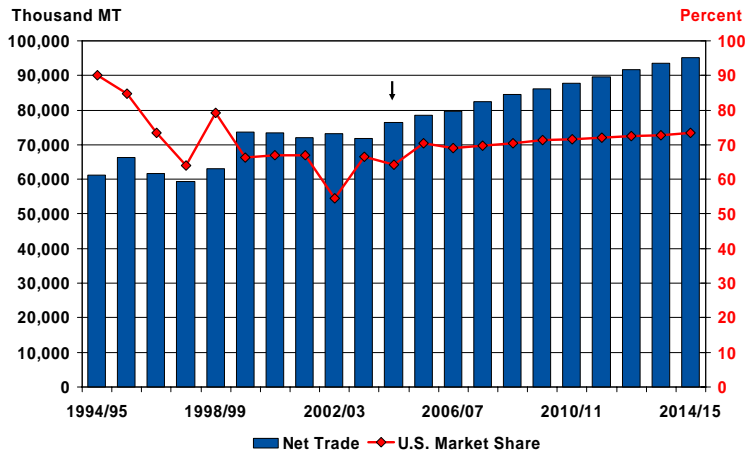
World Corn Feed, Food Use, and Per Capita Consumption



Feed use increases by 48.8 mmt over the next decade. The largest demand increase comes from Asian countries, followed closely by Latin American countries. Food use increases by 34.3 mmt over the next 10 years. Both a per capita consumption increase and population growth contribute to the increase in food demand.

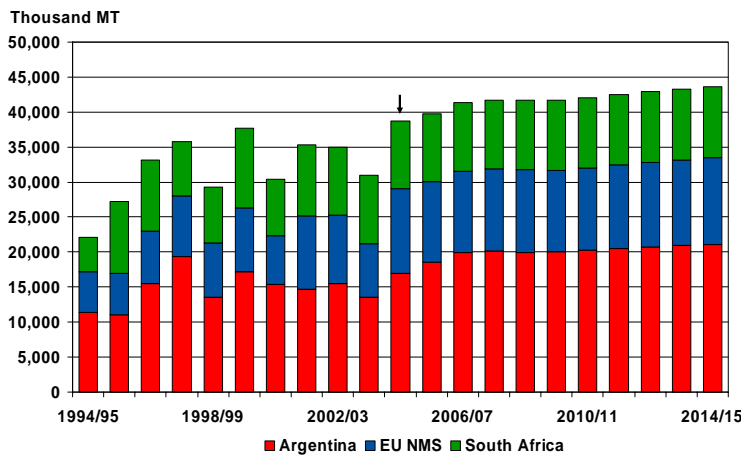
Major Corn Exporters

World Corn Trade and U.S. Market Share



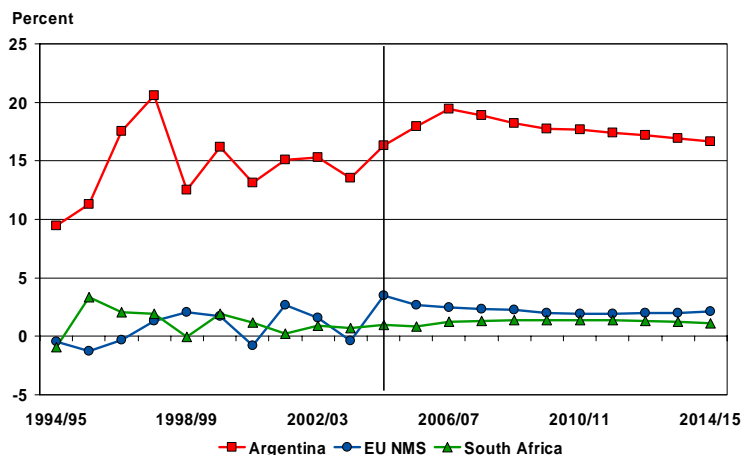
In 2004/05, a lower corn price increased world consumption by more than 5%, leading to higher world corn trade. Corn trade increased by 4.6 mmt in 2004/05. Over the next 10 years, corn trade is projected to continue to increase, reaching 78.4 mmt in 2005/06 and 95.2 mmt in 2014/15. The U.S. captures an increasing portion of this demand. Its market share increases from 64.2% in 2004/05 to 73.3% in 2014/15.

Corn Production by Major Competitors



In the next decade, the main U.S. competitors in the corn market increase their production, but their share in world production increases very slightly. Argentina increases its production by 4.1 mmt over the next 10 years. EU NMS increase their production considerably in 2004/05, but this strong increase does not continue, with the return to average yield levels and starting of the set-aside policy in 2009/10.

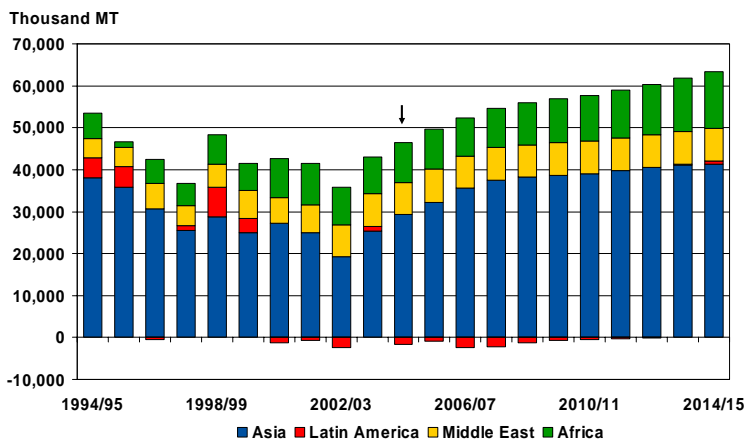
World Corn Market Shares



Area and yield growth increases Argentine net exports of corn by 3.3 mmt over the next 10 years. Argentine net exports reach 15.8 mmt in 2014/15, capturing 16.6% of the market. EU NMS increased their production and net exports significantly in 2004/05, capturing a larger share of the market. However, in 2005/06 their market share decreases with lower production and net exports and continues to decrease slightly over the next 10 years.

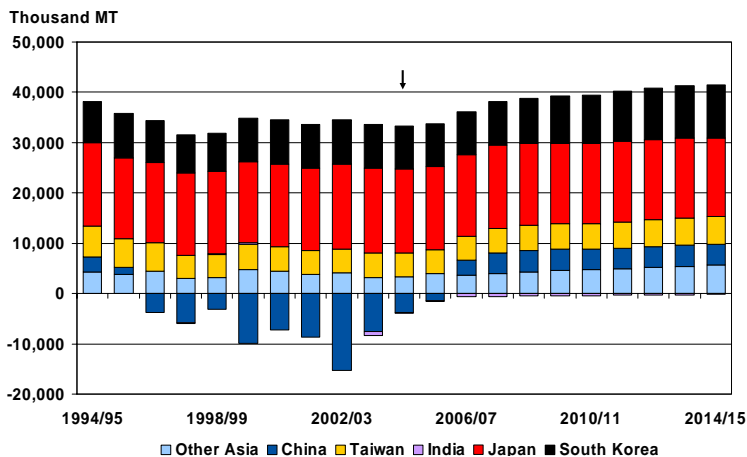
Major Corn Importers

Corn Net Imports by Major Regions



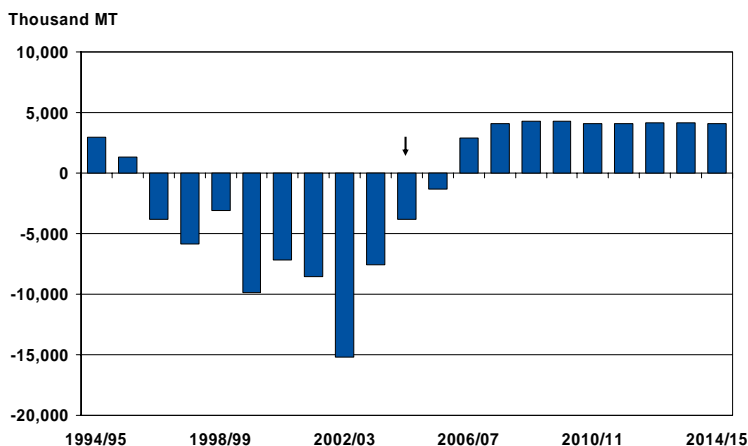
The largest demand increase comes from Asian countries because of growth in the livestock industry and therefore feed demand. Asian net imports increase by 12 mmt over the next decade. African net imports increase by more than 4 mmt. Among Latin American countries, Mexico maintains its role as a major importer, with imports reaching 9.6 mmt in 2014/15. Middle Eastern corn imports reach 7.7 mmt in 2014/15.

Asian Corn Net Imports



Most of the increase in Asian net imports comes from China. China becomes a net importer of corn in 2006/07, with imports reaching 4 mmt in 2014/15. South Korea increases its net imports to 10.6 mmt in 2014/15, owing to higher feed use. Taiwan increases its net imports to 5.4 mmt by 2014/15 as feed use increases more than 17% over the next 10 years. Japanese imports decline to 15.6 mmt by 2014/15 as feed use decreases to 10.9 mmt by that year.

Chinese Corn Net Imports



Once a large net exporter of corn, China is projected to become a net importer in 2006/07. Growth in the livestock sector increases feed use by 14.7 mmt in the next decade. Production growth meets only part of this growing demand, as the increase in corn area is limited. Stocks have decreased considerably in the last few years, decreasing the stocks-to-use ratio. However, the stock-to-use ratio stabilizes in the next decade at around 24%.

Corn Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	12,490	14,098	15,497	15,619	15,390	15,315	15,473	15,588	15,728	15,812	15,854
Australia	20	28	24	26	28	30	32	33	35	36	36
Brazil	3,700	1,958	2,215	2,227	2,345	2,336	2,370	2,492	2,662	2,821	2,838
China	3,800	1,330	-2,924	-4,094	-4,275	-4,261	-4,077	-4,083	-4,155	-4,155	-4,090
EU New Member States	2,669	2,106	1,978	1,914	1,913	1,698	1,697	1,721	1,798	1,891	1,997
South Africa	750	678	1,007	1,110	1,152	1,187	1,196	1,209	1,190	1,142	1,072
Thailand	390	353	342	307	282	262	223	185	144	117	80
Ukraine	1,990	1,813	2,384	2,679	2,776	2,822	2,810	2,795	2,761	2,719	2,686
United States	49,151	55,351	55,123	57,515	59,567	61,498	62,859	64,603	66,339	68,140	69,850
Total Net Exports *	76,550	78,493	79,747	82,547	84,516	86,215	87,688	89,624	91,611	93,560	95,235
Net Importers											
Algeria	1,811	1,921	1,877	1,872	1,873	1,875	1,877	1,878	1,881	1,884	1,888
Canada	1,900	1,728	1,294	1,227	1,267	1,431	1,626	1,800	1,961	2,180	2,446
Egypt	4,300	4,254	4,030	4,075	4,206	4,313	4,436	4,555	4,703	4,902	5,150
European Union-15	2,878	3,082	3,013	3,000	2,976	2,943	2,909	2,863	2,836	2,814	2,805
India	-150	-276	-551	-593	-508	-479	-424	-361	-311	-242	-156
Indonesia	1,200	1,333	1,328	1,438	1,544	1,630	1,706	1,772	1,837	1,903	1,974
Israel	1,000	1,003	987	987	990	992	994	997	1,000	1,005	1,009
Japan	16,800	16,600	16,264	16,452	16,185	15,999	15,896	15,954	15,935	15,835	15,595
Malaysia	2,200	2,162	2,148	2,154	2,169	2,179	2,191	2,199	2,210	2,225	2,243
Mexico	5,790	6,212	6,377	6,707	7,356	7,821	8,126	8,502	8,915	9,319	9,669
Other Africa	3,985	4,059	4,210	4,588	4,988	5,407	5,827	6,253	6,690	7,142	7,602
Other Asia	250	368	301	337	396	458	519	581	642	710	779
Other CIS †	145	315	284	317	361	416	470	527	580	636	690
Other Eastern Europe †	-945	-334	-374	-265	-248	-271	-281	-312	-313	-319	-357
Other Latin America	8,755	8,992	8,919	8,968	9,055	9,142	9,242	9,337	9,439	9,542	9,647
Other Middle East	6,650	6,921	6,641	6,647	6,661	6,678	6,695	6,711	6,730	6,752	6,775
Pakistan	0	0	0	0	0	0	0	0	0	0	0
Philippines	50	232	36	134	238	318	358	395	427	518	620
Russia	600	785	656	639	660	693	740	776	816	861	907
South Korea	8,500	8,524	8,488	8,725	9,046	9,375	9,679	9,975	10,237	10,457	10,623
Taiwan	4,700	4,791	4,761	4,956	5,021	5,023	5,061	5,209	5,365	5,474	5,480
Vietnam	0	174	172	193	213	224	224	221	215	210	206
Rest of World	-495	-167	-253	-292	-307	-317	-323	-327	-329	-321	-308
Residual	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036
Total Net Imports	76,550	78,493	79,747	82,547	84,516	86,215	87,688	89,624	91,611	93,560	95,235
Coarse Grain Prices	(U.S. Dollars per Metric Ton)										
Corn (FOB Gulf)	96	105	108	109	110	111	112	113	114	114	114
Sorghum (FOB Gulf)	94	104	103	104	105	107	108	110	112	113	114
Barley (Canada Feed)	84	85	84	84	83	86	87	88	90	92	94

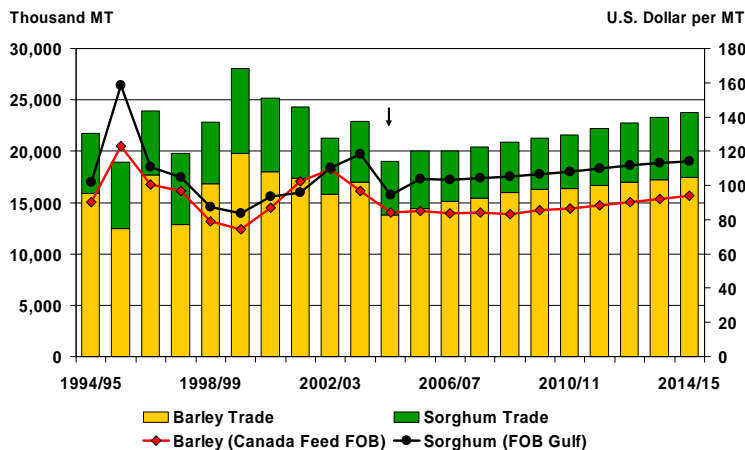
* Total net exports are the sum of all positive net exports and negative net imports.

† Countries included: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan.

‡ Countries included: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia and Montenegro.

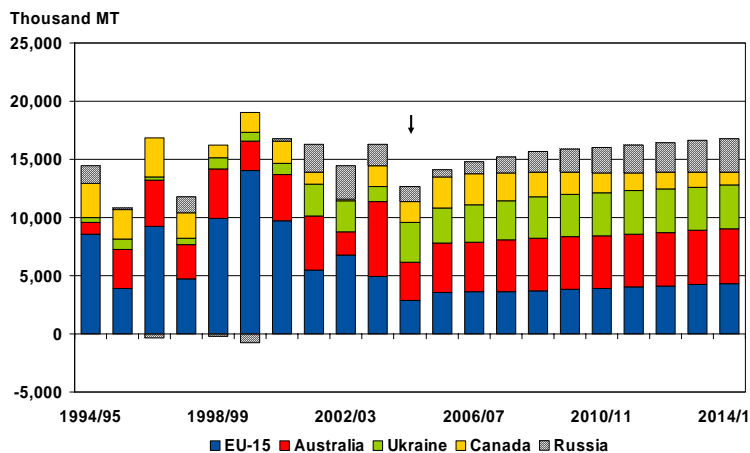
Barley and Sorghum Outlook

Barley and Sorghum Trade and Prices



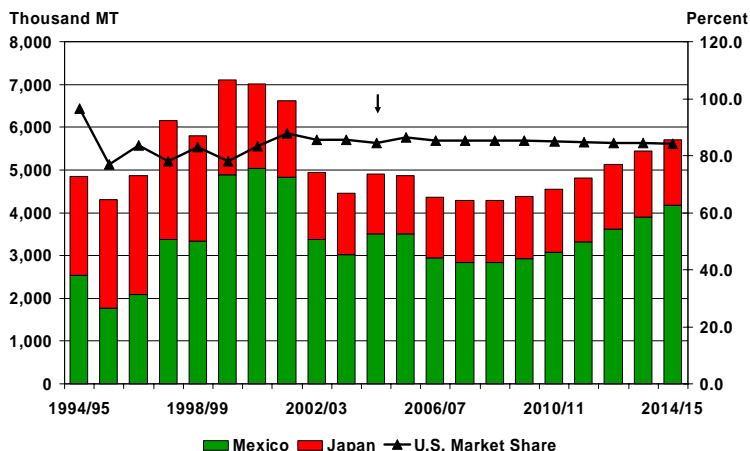
World sorghum trade decreased in 2004/05 as consumption was lower. This low demand level decreased the sorghum price in 2004/05 to \$94.3 per mt. In 2005/06, area is lower, decreasing production and increasing the sorghum price to \$103.6 per mt. Lower production increases sorghum trade to 5.6 mmt. Recovery in production in 2004/05 increases barley supply in the world markets, decreasing its price to \$84 per mt. Lower production in 2005/06 increases the barley price to \$85 per mt. Net trade reaches 17.4 mmt in 2014/15, fueled by Asian demand growth.

Barley Net Exports by Major Competitors



The EU-15 recovers its barley exports in 2005/06 because of low domestic demand. However, net exports of barley fail to reach their past high levels in the next decade. Australian and Canadian net exports reach 4.7 mmt and 1.1 mmt, respectively, in 2014/15. Lower production decreases Ukrainian exports to 3 mmt in 2005/06, but they recover later because of lower domestic consumption. Russian net exports recover in the next decade, reaching 2.9 mmt in 2014/15.

Sorghum Net Imports by Major Importers and U.S. Market Share



Japanese imports decrease in 2005/06 to 1.4 mmt because of a higher sorghum price. They recover to 1.5 mmt in 2014/15. Mexico's sorghum imports decrease until 2009/10 and then increase, following the pattern of feed use and livestock numbers. Mexican net imports reach 4.2 mmt by 2014/15. The U.S. market share increases slightly in 2005/06 but decreases afterwards, as Australia gains market share.

Barley and Sorghum Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Barley											
Net Exporters	(Thousand Metric Tons)										
Argentina	200	172	166	159	152	150	151	152	154	157	160
Australia	3,300	4,237	4,274	4,389	4,459	4,487	4,524	4,563	4,608	4,656	4,710
Canada	1,780	2,707	2,675	2,398	2,137	1,911	1,700	1,550	1,440	1,291	1,109
European Union-15	2,857	3,546	3,607	3,659	3,730	3,844	3,893	4,023	4,122	4,231	4,330
Other CIS †	-60	-20	-20	-24	-7	19	59	97	143	191	245
Russia	1,300	605	1,027	1,356	1,755	2,018	2,185	2,365	2,544	2,722	2,919
Ukraine	3,450	3,006	3,219	3,383	3,587	3,661	3,693	3,720	3,731	3,735	3,739
United States	-108	18	15	35	70	116	143	177	194	190	164
Total Net Exports *	12,719	14,271	14,964	15,355	15,884	16,208	16,347	16,648	16,937	17,172	17,374
Net Importers											
Algeria	10	9	-28	-29	-24	-28	-29	-33	-36	-40	-44
Brazil	200	319	334	343	359	369	380	390	399	408	417
China	1,800	2,277	2,574	2,610	2,883	3,038	3,092	3,249	3,412	3,575	3,741
EU New Member States	-281	242	394	485	504	643	588	608	607	578	539
Israel	450	457	459	459	461	459	459	459	458	457	456
Japan	1,350	1,365	1,393	1,429	1,421	1,386	1,384	1,398	1,404	1,398	1,375
Mexico	75	63	66	75	102	106	120	137	157	177	196
Other Africa	570	458	475	569	655	731	814	900	988	1,079	1,173
Other Asia	100	217	248	297	349	369	389	410	428	443	455
Other Eastern Europe ‡	-605	-105	-72	-37	-23	-21	-22	-27	-31	-37	-48
Other Latin America	395	452	476	496	522	539	560	580	601	622	642
Other Middle East	1,200	1,240	1,280	1,277	1,270	1,235	1,204	1,167	1,131	1,090	1,046
Pakistan	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	6,500	6,240	6,320	6,349	6,376	6,370	6,409	6,428	6,457	6,480	6,506
South Africa	150	159	155	156	155	154	152	150	147	144	142
Taiwan	100	115	121	128	132	133	135	139	143	146	147
Rest of World	175	233	237	218	214	195	180	162	144	123	102
Residual	529	529	529	529	529	529	529	529	529	529	529
Total Net Imports	12,719	14,271	14,964	15,355	15,884	16,208	16,347	16,648	16,937	17,172	17,374
Sorghum											
Net Exporters											
Argentina	400	387	425	395	365	348	347	354	367	380	389
Australia	350	311	243	261	287	323	362	403	444	486	525
United States	4,445	4,859	4,230	4,216	4,223	4,309	4,428	4,639	4,879	5,121	5,324
Total Net Exports *	5,195	5,557	4,898	4,871	4,874	4,980	5,137	5,395	5,690	5,986	6,238
Net Importers											
India	0	0	0	0	0	0	0	0	0	0	0
Israel	100	98	99	99	99	99	99	98	98	98	98
Japan	1,400	1,371	1,403	1,457	1,452	1,457	1,470	1,504	1,526	1,538	1,530
Mexico	3,500	3,501	2,953	2,830	2,830	2,928	3,073	3,316	3,609	3,905	4,170
Nigeria	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50
Pakistan	0	0	0	0	0	0	0	0	0	0	0
South Africa	-15	-8	-11	-14	-18	-21	-24	-28	-31	-34	-36
Rest of World	120	504	364	410	421	427	429	415	398	389	386
Residual	140	140	140	140	140	140	140	140	140	140	140
Total Net Imports	5,195	5,557	4,898	4,871	4,874	4,980	5,137	5,395	5,690	5,986	6,238
Coarse Grain Prices	(U.S. Dollars per Metric Ton)										
Corn (FOB Gulf)	96	105	108	109	110	111	112	113	114	114	114
Sorghum (FOB Gulf)	94	104	103	104	105	107	108	110	112	113	114
Barley (Canada Feed)	84	85	84	84	83	86	87	88	90	92	94

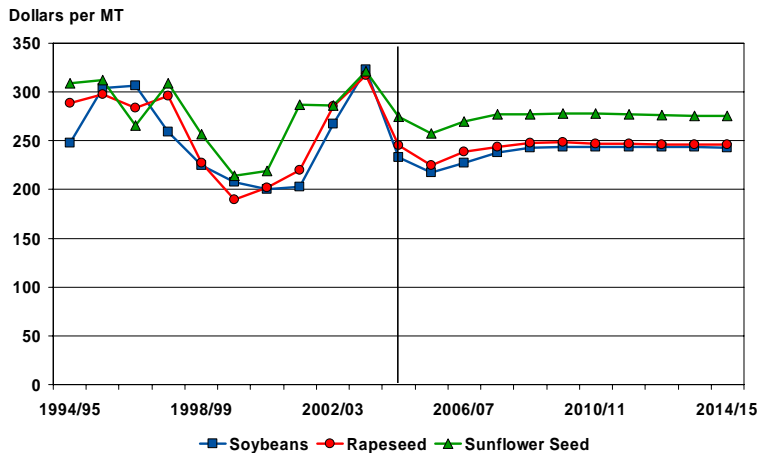
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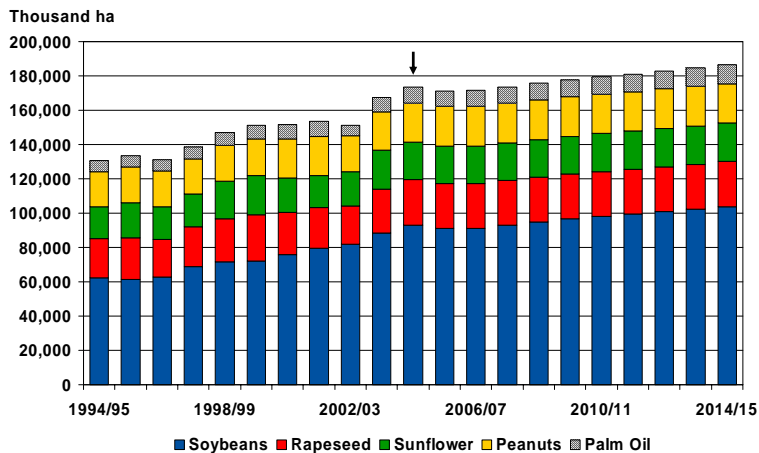
Oilseeds Outlook

World Oilseed Prices



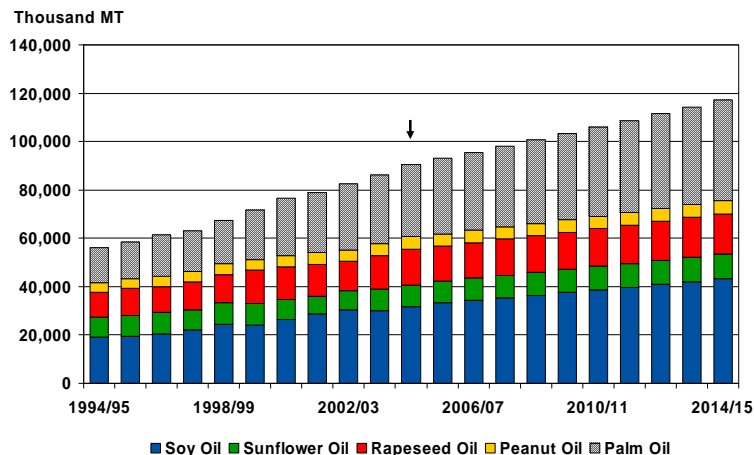
All oilseed prices weakened this year under the pressure of record supplies. For 2005/06, another price decline is expected despite the production adjustment. This correction leads to a price rebound in 2006/07. Supply and demand expand proportionately during the remaining outlook period, keeping nominal prices flat. Real prices fall in all important user and producer markets. In the long run, all oilseed prices are expected to remain within their established relationships.

World Oilseed Area



Driven by last year's strong oilseed prices, world oilseed area expanded 3% in 2004/05 but is expected to fall 1% next season in response to the current decrease in prices. Total area is predicted to increase by 8% until 2014/15. Ninety-seven percent of this increase is due to soybean area expansion in South America. The expected expansion of the oilseed area is caused by increased worldwide demand for protein meals for livestock feed and vegetable oils for human consumption and industrial uses.

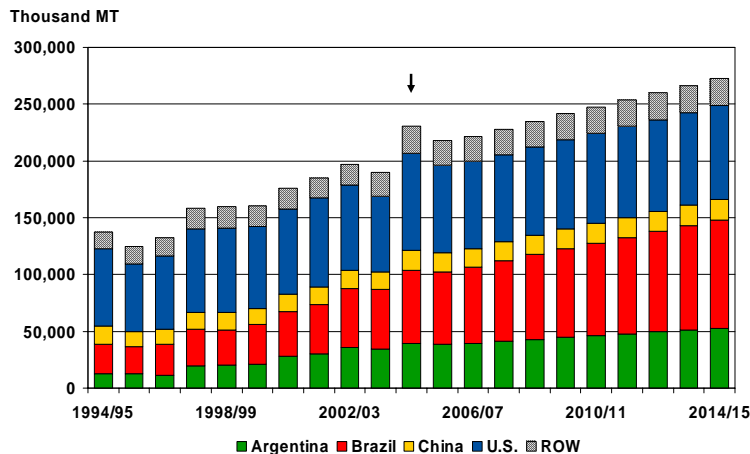
World Vegetable Oil Consumption



World vegetable oil consumption grows 2.6% annually over the next 10 years. Half of this increase is due to population growth, and the other half is caused by higher per capita consumption. Total annual vegetable oil consumption per capita grows from 14.6 kg in 2004/05 to 16.9 kg in 2014/15. Soybean oil remains the most widely used vegetable oil, followed closely by palm oil. Per capita consumption of peanut oil is projected to decline slightly over the outlook period.

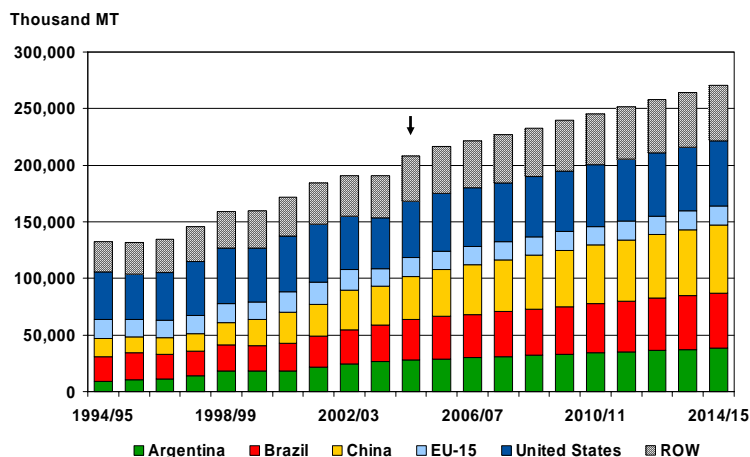
Soybean Outlook

World Soybean Production



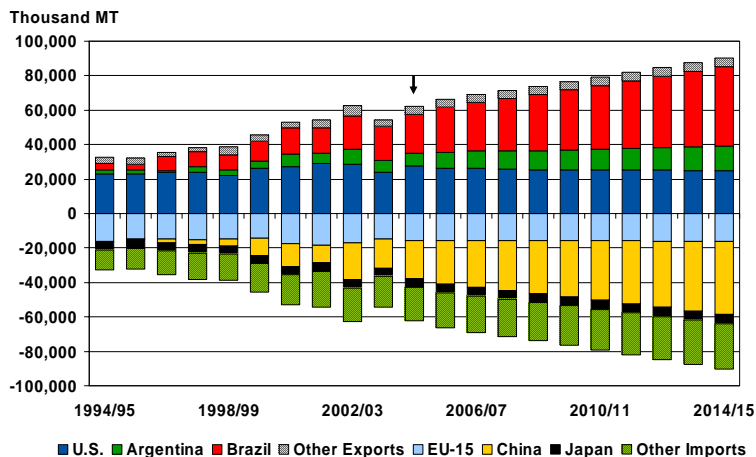
World soybean production reaches 273 mmt by 2014/15, an increase of 18% over the current year. In 2010/11, Brazil overtakes the U.S. as the largest soybean producer in the world. At the end of the outlook period it holds a 35% share. The U.S. share drops to 30%. World soybean production becomes even more concentrated: the top three producer countries increase their combined production share from 82% to 85%.

World Soybean Consumption



World soybean consumption is less concentrated than production. The U.S. is currently the world's largest soybean user but is projected to be overtaken by China in 2012/13, which will use 22% of the world's soybeans by 2014/15. Brazil and Argentina also expand their respective consumption shares. The share of the EU-15 is falling because of its stable meal demand and high crushing cost. The ROW utilization remains at 10% of total world consumption.

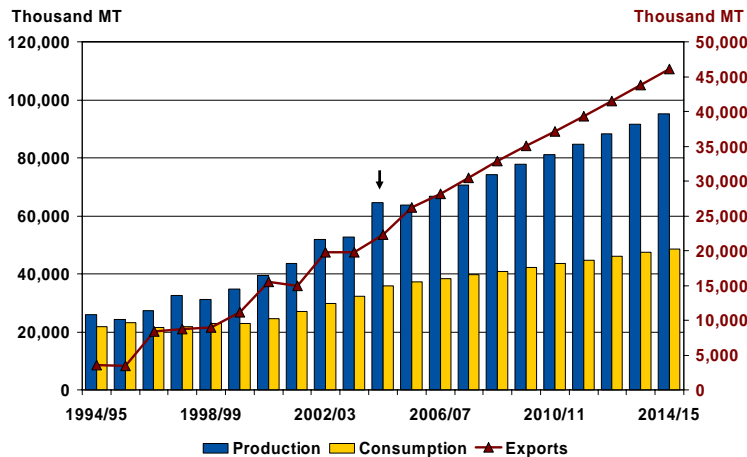
World Soybean Trade



In 2006/07, Brazil surpasses the U.S. to become the largest soybean exporter in the world. The U.S. market share is projected to decline further, from 44% in the current year to 28% in 2014/15. Based on strong soybean area expansion over the projection period, Brazil's export share grows from 36% to 51%. China remains the largest importer. It expands its imports from 35% to 47% of total world imports by 2014/15. EU-15 imports are stable at around 16 mmt.

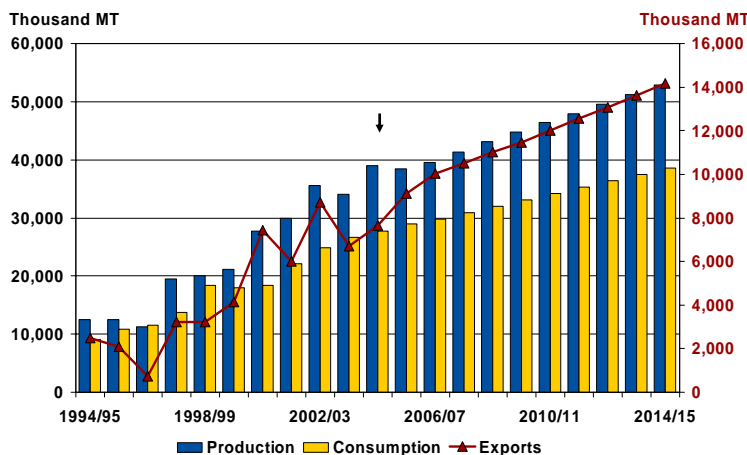
Soybean Outlook

Brazilian Soybean Production and Utilization



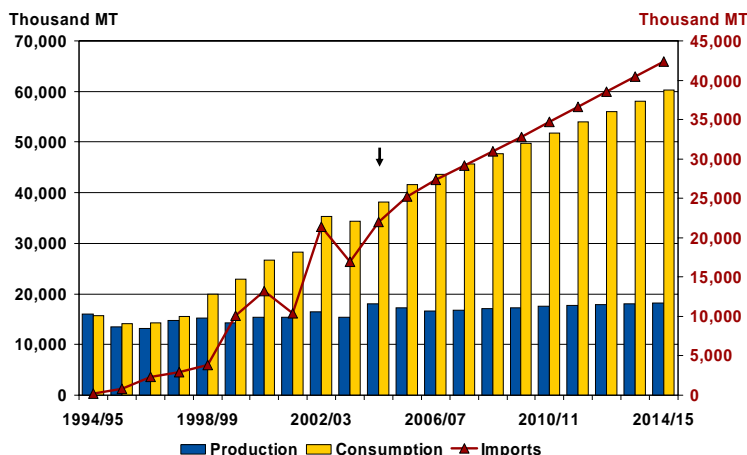
Further expansion of frontier lands and conversion of degraded pasture land, coupled with improved yields and better transportation alternatives, are the basis for the increase in Brazil's soybean production projection to 95 mmt by 2014/15. Despite improvements in the Brazilian infrastructure, the domestic crushing industry does not keep pace with the expanding soybean production. The share of domestically processed beans falls from 56% to 51%. Soybean exports grow to 45 mmt by 2014/15.

Argentine Soybean Production and Utilization



Strong yields lead to a 5 mmt production growth in 2004/05 despite only a 1% area increase. Area expansion stagnates again in 2005/06 because of the price decline. Soybean area is still projected to expand by 29% over the outlook period. Additional area, combined with annual yield improvements, results in a 36% production increase by 2014/15. Domestic crush consumption remains the dominant use; further expansion is expected in the next few years. The soybean product sectors remain strictly export oriented.

Chinese Soybean Production and Utilization



Because of constraints in total area, Chinese soybean area shrinks 8% during the outlook period. Yield improvements keep production growing at 0.1% annually. Driven by strong oil demand, soybean crush is expected to expand throughout the outlook period by 5.5% annually, requiring a 6.8% annual import growth; 70% of China's soybean consumption will be imported by 2014/15. Recent trade disputes are not expected to interrupt soybean imports in the long run.

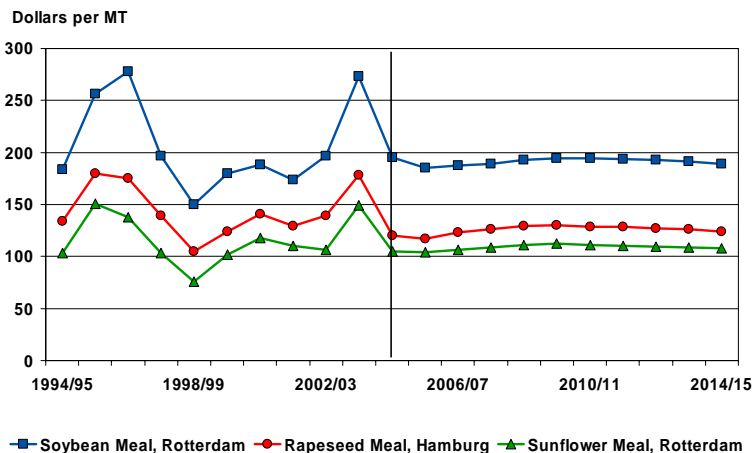
Soybean Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	7,165	8,634	9,541	10,018	10,535	10,978	11,519	12,047	12,579	13,123	13,681
Brazil	21,977	25,866	27,892	30,117	32,514	34,680	36,849	39,023	41,221	43,465	45,753
Canada	625	327	314	361	410	439	464	487	511	532	552
CIS	24	59	42	37	33	26	17	7	-2	-11	-20
United States	27,369	26,195	26,148	25,655	25,088	25,090	25,052	25,053	25,026	24,977	24,897
Total Net Exports *	57,170	61,081	63,936	66,189	68,580	71,214	73,900	76,617	79,336	82,097	84,883
Net Importers											
China	21,750	24,981	27,109	28,959	30,691	32,511	34,419	36,341	38,268	40,206	42,157
EU New Member States	27	28	27	27	26	25	25	25	24	24	23
European Union-15	15,801	15,831	15,503	15,399	15,496	15,610	15,708	15,811	15,910	16,013	16,111
India	-10	0	0	0	0	0	0	0	0	0	0
Japan	5,000	5,188	5,144	5,148	5,172	5,210	5,232	5,251	5,271	5,292	5,314
South Korea	1,550	1,596	1,604	1,603	1,605	1,616	1,626	1,635	1,645	1,656	1,669
Taiwan	2,320	2,403	2,405	2,404	2,413	2,440	2,463	2,487	2,510	2,537	2,566
Rest of World	10,205	10,536	11,626	12,134	12,661	13,286	13,910	14,550	15,188	15,841	16,505
Residual	517	517	517	517	517	517	517	517	517	517	517
Total Net Imports	57,170	61,081	63,936	66,189	68,580	71,214	73,900	76,617	79,336	82,097	84,883
Prices	(U.S. Dollars per Metric Ton)										
Illinois Processor	202	188	198	208	213	213	213	214	214	214	213
CIF Rotterdam	233	217	227	238	243	243	244	244	243	243	243

* Total net exports are the sum of all positive net exports and negative net imports.

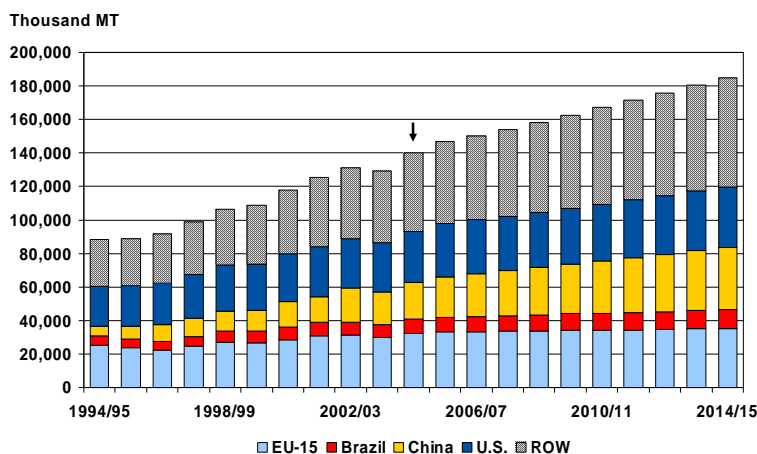
Soybean Meal Outlook

World Protein Meal Prices



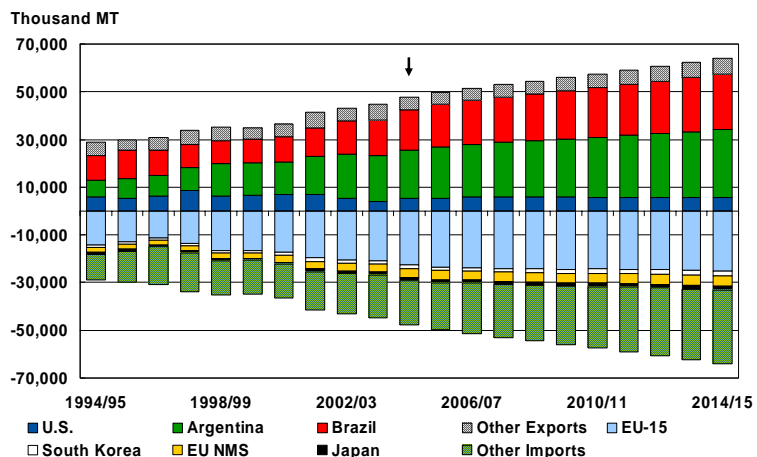
Protein meal prices fell between 30% and 40% in 2004/05 because of strong supply growth and falling oilseed prices. All meal prices are expected to decline slightly in 2005/06 again as meal supply exceeds demand. For the remainder of the outlook, protein meal prices stay flat and within their established, nutritional-value-driven ratios as production growth keeps pace with utilization by expanding livestock sectors around the world.

World Soybean Meal Consumption



World soybean meal consumption expands by 32% during the outlook period. Strong growth in the livestock sector drives the increase in soybean meal demand. China's consumption increases 5.5% annually. By 2013/14, China surpasses the EU-15 as the largest soybean meal consumer in the world. U.S. consumption increases 1.6% annually, but the U.S. share of world consumption falls slightly. Brazil expands its domestic consumption by 36%.

World Soybean Meal Trade



Exports from Argentina and Brazil continue to dominate international soybean meal trade. Argentina's market share grows from 42% to 44% while Brazil keeps its share at 35% over the outlook. The EU-15 is the dominant importer, but its share of the import market declines because its livestock industry grows only marginally. Demand growth comes mainly from many small importers (ROW) who develop their emerging livestock industries.

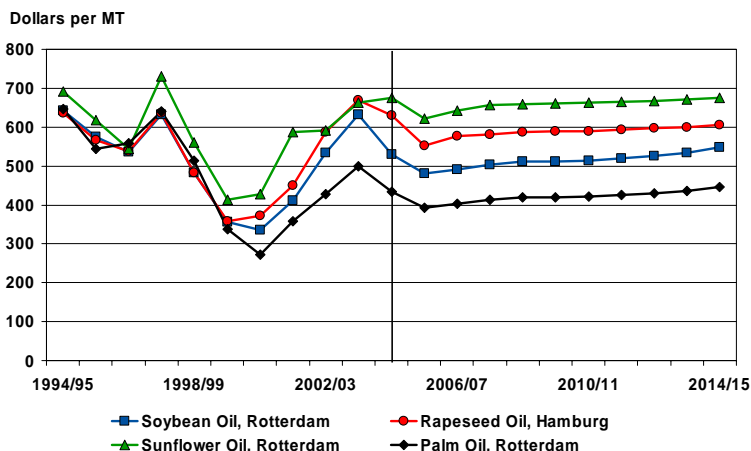
Soybean Meal Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	20,310	21,362	22,031	22,857	23,657	24,466	25,273	26,085	26,896	27,718	28,543
Brazil	16,856	17,598	18,168	18,800	19,391	19,957	20,538	21,133	21,763	22,388	22,973
China	750	751	538	632	720	774	813	891	960	1,069	1,231
India	2,100	1,824	1,765	1,798	1,855	1,883	1,906	1,925	1,942	1,956	1,968
United States	5,012	5,296	5,759	5,771	5,688	5,734	5,580	5,468	5,430	5,461	5,459
Total Net Exports *	45,028	46,831	48,262	49,859	51,311	52,813	54,110	55,502	56,991	58,592	60,173
Net Importers											
Canada	875	950	1,043	1,021	993	1,007	1,100	1,191	1,270	1,301	1,358
CIS	485	490	496	507	520	531	538	546	554	563	571
EU New Member States	3,694	3,761	3,778	3,870	3,973	4,057	4,091	4,130	4,183	4,269	4,342
European Union-15	20,498	21,431	21,562	22,013	22,142	22,257	22,196	22,271	22,472	22,813	23,077
Japan	1,250	1,357	1,310	1,317	1,361	1,442	1,498	1,533	1,538	1,562	1,611
South Korea	1,450	1,343	1,388	1,483	1,580	1,658	1,744	1,817	1,878	1,914	1,967
Taiwan	25	48	33	27	27	43	64	75	69	69	85
Rest of World	16,180	16,880	18,081	19,049	20,145	21,248	22,307	23,369	24,456	25,530	26,591
Residual	571	571	571	571	571	571	571	571	571	571	571
Total Net Imports	45,028	46,831	48,262	49,859	51,311	52,813	54,110	55,502	56,991	58,592	60,173
Prices	(U.S. Dollars per Metric Ton)										
FOB Decatur 48%	176	174	185	193	197	198	198	198	197	195	193
CIF Rotterdam	195	185	188	189	193	194	194	194	193	192	189

* Total net exports are the sum of all positive net exports and negative net imports.

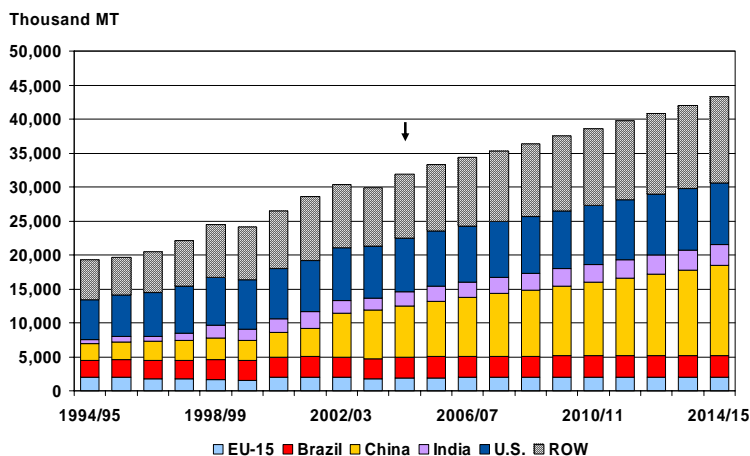
Soybean Oil Outlook

World Vegetable Oil Prices



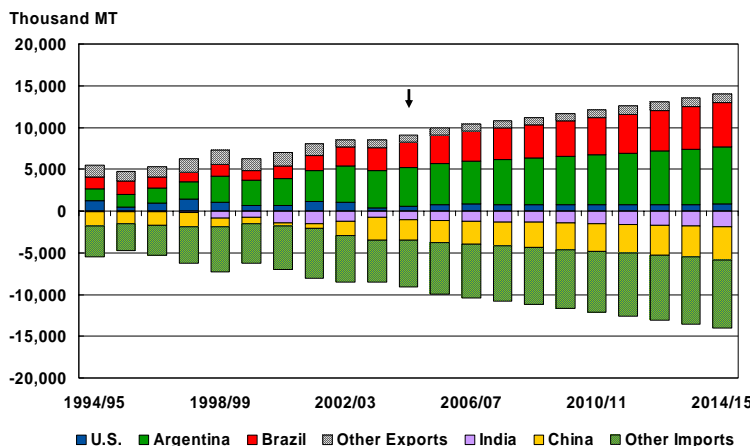
Falling 2004/05 vegetable oil prices reflect the fact that demand has grown slower than supply, which was driven by rising prices during the three previous seasons. Soybean oil prices decline in 2005/06 by about 8% and remain flat over the course of the outlook as the increase in world demand is met primarily by production responses in South America. Rapeseed and sunflower oil prices follow similar paths. Palm oil has the strongest annual production increase and remains the low-price oil.

World Soybean Oil Consumption



Income and population growths around the world increase soybean oil consumption to 43.2 mmt by 2014/15. Per capita consumption grows 2.0% annually, to 6.0 kg/year. Soybean oil consumption increases in China by 5.7 mmt during the outlook period, a 5.9% annual increase. In 2005/06, China surpasses the U.S. to become the largest single consumer, increasing its share to 30% by 2014/15. World consumption falls short of production during the outlook period; stocks increase 18%.

World Soybean Oil Trade



World soybean oil trade expands by 50% over the outlook period. Exports are dominated by a few countries, but importers are diverse. China and India's combined share of imports grows from 38% to 42% of the market. Argentina and Brazil combine for over 85% of total exports. China is expected to keep oil imports to a fixed share of domestic consumption because of its focus on domestic production. The U.S. share of soybean oil exports falls slightly after a recovery in the near term.

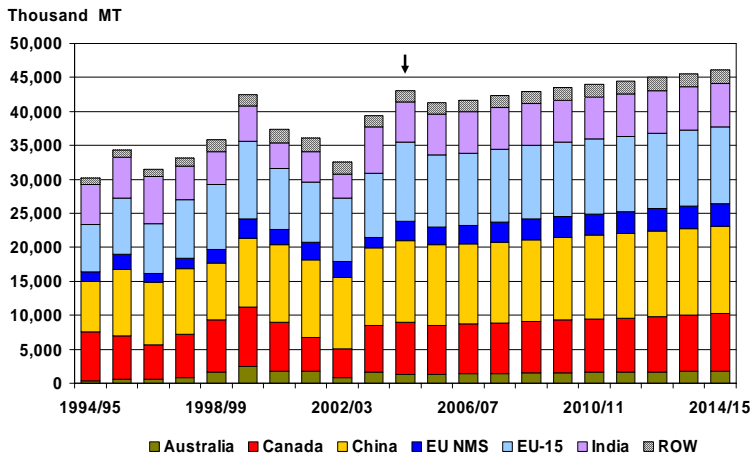
Soybean Oil Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	4,638	4,947	5,124	5,338	5,547	5,760	5,974	6,190	6,408	6,630	6,855
Brazil	2,911	3,164	3,342	3,536	3,730	3,927	4,129	4,335	4,544	4,759	4,979
European Union-15	851	726	707	693	703	711	720	731	743	758	775
United States	560	665	767	732	710	728	723	719	720	738	766
Total Net Exports *	8,960	9,502	9,940	10,299	10,689	11,126	11,546	11,975	12,415	12,886	13,374
Net Importers											
Canada	90	95	99	103	108	113	118	123	128	133	137
China	2,400	2,622	2,757	2,880	3,003	3,144	3,280	3,424	3,578	3,758	3,959
CIS	183	195	202	211	220	233	244	255	267	280	293
EU New Member States	216	226	230	234	238	243	248	253	257	262	267
India	1,040	1,155	1,229	1,292	1,354	1,430	1,506	1,584	1,667	1,754	1,845
Japan	35	31	29	30	34	37	39	39	39	37	35
South Korea	220	227	234	243	253	262	270	278	285	291	296
Taiwan	74	94	93	98	102	106	110	113	115	116	116
Rest of World	4,074	4,229	4,438	4,582	4,750	4,930	5,104	5,278	5,452	5,628	5,799
Residual	628	628	628	628	628	628	628	628	628	628	628
Total Net Imports	8,960	9,502	9,940	10,299	10,689	11,126	11,546	11,975	12,415	12,886	13,374
Prices	(U.S. Dollars per Metric Ton)										
FOB Decatur	496	460	471	484	490	490	494	498	505	513	526
FOB Rotterdam	530	480	492	504	511	511	515	519	526	535	547

* Total net exports are the sum of all positive net exports and negative net imports.

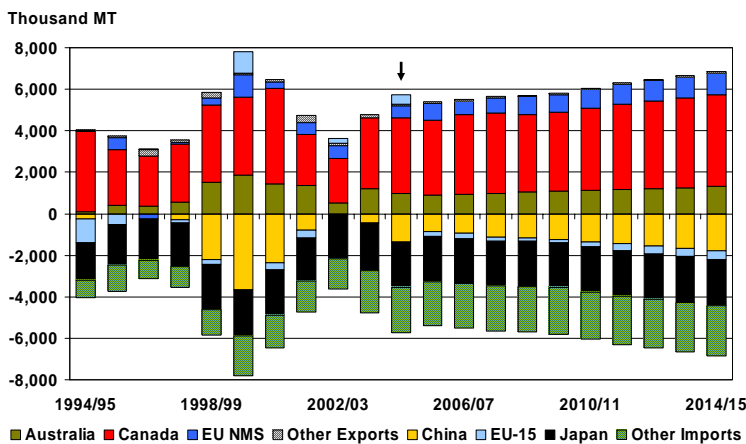
Rapeseed Outlook

Rapeseed Production



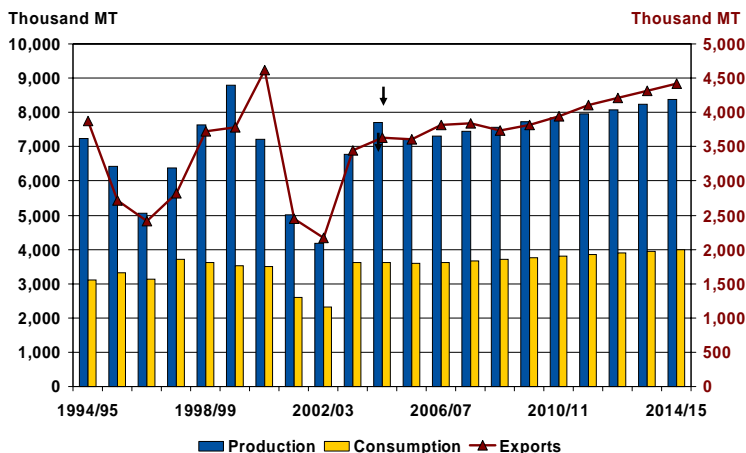
In the 2004/05 season, the increase in world rapeseed area and production continued for the second consecutive year. Next year, production decreases because of falling prices. After that it settles at an annual growth of 1.3%, mainly because of yield improvements on a constant world area. China maintains its position as the largest rapeseed producer. The EU-15 production is a stable second. Low yields keep India's production share at only 14%, despite a 25% area share.

Major Rapeseed Trade



After two years of strong recovery, world rapeseed trade levels off in 2005/06 and expands at 2% annually throughout the outlook period. Canada clearly dominates the market: about 60% of world exports originate there. The EU-15 becomes a net importer again in 2005/06 and maintains this position throughout the outlook. The EU NMS almost double their exports, making the EU a stable net exporter. Chinese imports develop in correspondence to the Canadian exports.

Canadian Rapeseed Supply and Utilization



Canada's rapeseed sector is expected to stabilize its area harvested at about 5 mha and expand production through yield increases to 8.4 mmt by 2014/15. Exports grow by 20%: the export growth outweighs the increase in production. Domestic consumption increases by only 1% annually. Canada is projected to remain the leading exporter of rapeseed/canola in the world throughout the projection period, maintaining a 60% market share.

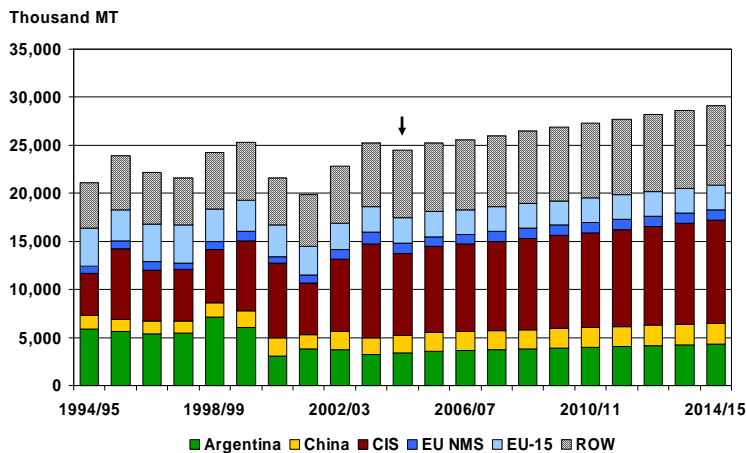
Rapeseed, Rapeseed Meal, and Rapeseed Oil Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Rapeseed											
Net Exporters	(Thousand Metric Tons)										
Australia	970	898	945	996	1,043	1,085	1,129	1,173	1,219	1,265	1,313
Canada	3,635	3,606	3,818	3,842	3,737	3,814	3,939	4,108	4,211	4,317	4,425
CIS	90	67	63	63	65	66	67	67	68	68	68
EU New Member States	576	814	670	747	872	838	925	953	983	1,013	1,044
Total Net Exports *	5,733	5,385	5,497	5,648	5,716	5,803	6,060	6,301	6,481	6,663	6,852
Net Importers											
China	1,345	855	933	1,123	1,166	1,235	1,346	1,452	1,561	1,675	1,795
European Union-15	-462	228	261	188	176	150	250	345	371	395	419
India	0	0	0	0	0	0	0	0	0	0	0
Japan	2,200	2,186	2,173	2,177	2,178	2,181	2,185	2,187	2,191	2,196	2,200
United States	131	90	44	36	31	27	23	18	12	5	-1
Rest of World	1,850	1,820	1,880	1,917	1,959	2,002	2,048	2,093	2,139	2,185	2,231
Residual	207	207	207	207	207	207	207	207	207	207	207
Total Net Imports	5,733	5,385	5,497	5,648	5,716	5,803	6,060	6,301	6,481	6,663	6,852
Prices	(U.S. Dollars per Metric Ton)										
Cash Vancouver	250	223	237	241	245	246	244	244	244	244	243
CIF Hamburg	245	225	239	244	248	249	247	247	246	246	246
Rapeseed Meal											
Net Exporters	(Thousand Metric Tons)										
Canada	1,200	1,169	1,168	1,190	1,220	1,243	1,251	1,258	1,267	1,287	1,301
China	200	481	412	482	495	512	536	560	589	625	662
CIS	15	14	15	15	15	15	16	16	17	17	17
EU New Member States	333	292	305	305	303	305	313	321	326	327	329
India	500	377	376	359	357	358	356	359	366	377	390
Total Net Exports *	2,248	2,333	2,276	2,351	2,391	2,434	2,473	2,514	2,565	2,632	2,698
Net Importers											
European Union-15	336	336	253	262	257	234	188	164	158	174	171
Japan	35	74	68	73	78	91	100	104	102	103	109
United States	1,178	1,250	1,273	1,305	1,321	1,347	1,390	1,425	1,454	1,478	1,511
Rest of World	490	465	473	503	526	554	585	613	642	669	698
Residual	209	209	209	209	209	209	209	209	209	209	209
Total Net Imports	2,248	2,333	2,276	2,351	2,391	2,434	2,473	2,514	2,565	2,632	2,698
Price	(U.S. Dollars per Metric Ton)										
FOB Hamburg	120	117	123	126	129	130	129	128	127	126	124
Rapeseed Oil											
Net Exporters	(Thousand Metric Tons)										
Australia	50	49	51	52	54	55	56	58	59	60	62
Canada	880	831	845	854	865	876	887	897	907	917	927
EU New Member States	36	55	4	6	10	12	14	18	20	23	26
European Union-15	293	262	295	279	273	263	251	239	226	215	206
Total Net Exports *	1,259	1,197	1,194	1,191	1,202	1,206	1,208	1,211	1,212	1,215	1,220
Net Importers											
China	395	332	362	352	362	360	354	349	341	334	327
CIS	5	9	9	9	10	11	12	13	14	16	17
India	10	10	10	10	9	9	9	9	9	9	9
Japan	35	36	36	37	38	39	40	41	42	43	44
United States	454	479	471	478	485	493	502	512	523	534	548
Rest of World	276	247	221	221	214	210	207	203	199	196	192
Residual	84	84	84	84	84	84	84	84	84	84	84
Total Net Imports	1,259	1,197	1,194	1,191	1,202	1,206	1,208	1,211	1,212	1,215	1,220
Price	(U.S. Dollars per Metric Ton)										
FOB Hamburg	630	552	578	581	587	589	590	593	596	600	606

* Total net exports are the sum of all positive net exports and negative net imports.

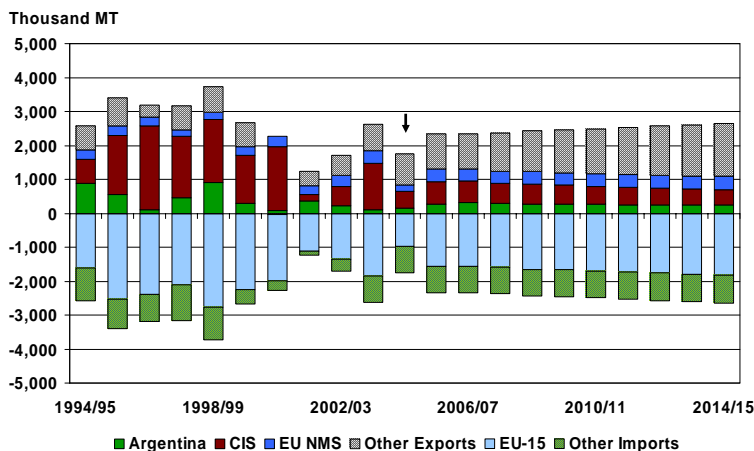
Sunflower Outlook

Sunflower Production



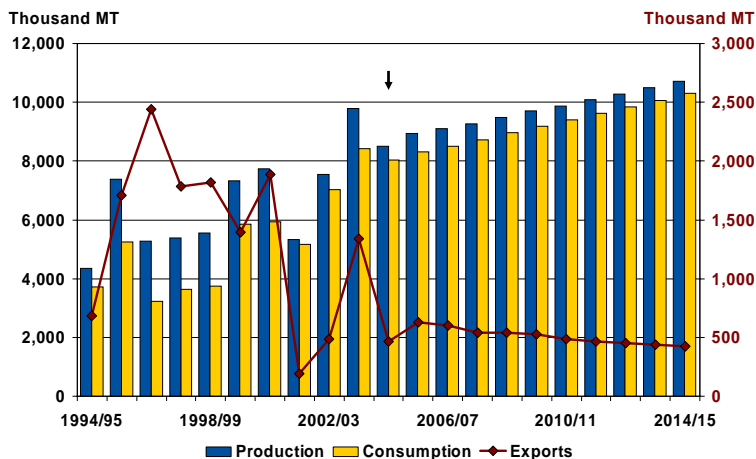
In 2005/06, the world sunflower crop recovers from its 2004/05 decline with a 4.0% increase. Production then grows about 1.5% annually, because of yield improvements on a constant planted area. The CIS maintains its position as the largest sunflower producer, with a 35% share of world production. Argentina remains the second-leading producer in the world, but it does not return to its former production levels, producing only 4.3 mmt by 2014/15.

World Sunflower Trade



In 2004/05, world sunflower trade fell sharply because of the decrease of shipments from the CIS. After a rebound next year, total world trade grows slowly to 2.1 mmt over the outlook period. The CIS is the dominant exporter, but the EU NMS are gaining market share. Argentina supplies between 7.5% and 12% of the world exports. The EU-15 is the only significant single importer, accounting for about 60% of all imports. The rest is taken by a large number of small importers.

Commonwealth of Independent States Sunflower Production and Utilization



Sunflower area in the CIS is expected to remain stable during the outlook. The 26% production growth during the baseline is mainly due to yield improvements. The share of domestically crushed seeds remains high and growing. The Russian and Ukrainian crushing industries have been modernized in the last few years and can handle a high percentage of the domestic production. Domestic crush is additionally supported by high export taxes in Russia and Ukraine.

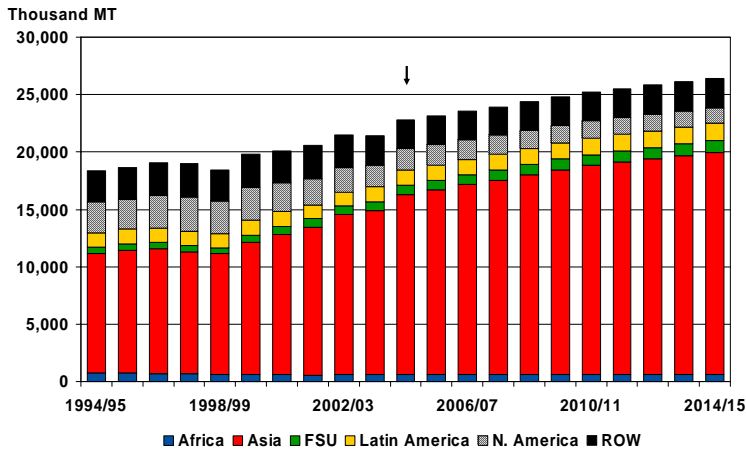
Sunflower Seed, Sunflower Meal, and Sunflower Oil Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Sunflower Seed											
Net Exporters (Thousand Metric Tons)											
Argentina	148	265	310	295	274	271	263	256	251	245	240
China	77	127	128	139	147	159	169	175	180	186	192
CIS	464	630	603	543	541	529	484	465	449	435	424
EU New Member States	155	339	326	342	365	331	348	352	356	359	362
Rest of World	406	427	463	520	581	643	704	760	814	866	918
Total Net Exports *	1,250	1,807	1,829	1,839	1,909	1,932	1,967	2,008	2,050	2,092	2,136
Net Importers											
European Union-15	951	1,538	1,534	1,554	1,630	1,647	1,674	1,706	1,739	1,773	1,810
United States	30	-19	26	16	10	16	24	33	42	50	57
Residual	269	269	269	269	269	269	269	269	269	269	269
Total Net Imports	1,250	1,807	1,829	1,839	1,909	1,932	1,967	2,008	2,050	2,092	2,136
Price (U.S. Dollars per Metric Ton)											
CIF Lower Rhine Price	275	258	270	277	277	278	278	277	276	276	275
Sunflower Meal											
Net Exporters (Thousand Metric Tons)											
Argentina	1,065	1,074	1,106	1,140	1,174	1,205	1,235	1,267	1,300	1,334	1,368
CIS	1,203	1,259	1,281	1,303	1,333	1,367	1,402	1,440	1,479	1,520	1,561
United States	18	18	18	18	18	18	18	18	18	18	18
Total Net Exports *	2,286	2,351	2,405	2,461	2,525	2,590	2,655	2,726	2,798	2,873	2,947
Net Importers											
China	7	28	54	73	91	108	126	144	161	178	195
EU New Member States	255	283	287	297	309	318	323	329	335	346	355
European Union-15	1,629	1,589	1,579	1,574	1,576	1,578	1,575	1,579	1,586	1,598	1,609
Rest of World	211	267	301	333	365	402	447	490	531	566	604
Residual	184	184	184	184	184	184	184	184	184	184	184
Total Net Imports	2,286	2,351	2,405	2,461	2,525	2,590	2,655	2,726	2,798	2,873	2,947
Price (U.S. Dollars per Metric Ton)											
CIF Rotterdam Price	105	104	106	109	111	112	111	110	109	109	108
Sunflower Oil											
Net Exporters (Thousand Metric Tons)											
Argentina	880	871	903	934	963	992	1,021	1,050	1,080	1,111	1,142
CIS	709	789	823	850	863	869	881	892	901	905	907
United States	44	67	65	63	62	61	58	55	51	47	43
Total Net Exports *	1,633	1,727	1,790	1,848	1,889	1,922	1,960	1,997	2,033	2,063	2,092
Net Importers											
China	35	50	59	65	71	75	80	85	89	93	97
EU New Member States	132	42	45	44	49	53	58	62	67	72	77
European Union-15	487	618	700	752	768	781	796	810	824	836	847
Rest of World	842	880	850	849	864	876	890	904	915	925	934
Residual	137	137	137	137	137	137	137	137	137	137	137
Total Net Imports	1,633	1,727	1,790	1,848	1,889	1,922	1,960	1,997	2,033	2,063	2,092
Price (U.S. Dollars per Metric Ton)											
FOB NW Europe Price	675	623	643	657	659	661	663	665	668	671	676

* Total net exports are the sum of all positive net exports and negative net imports.

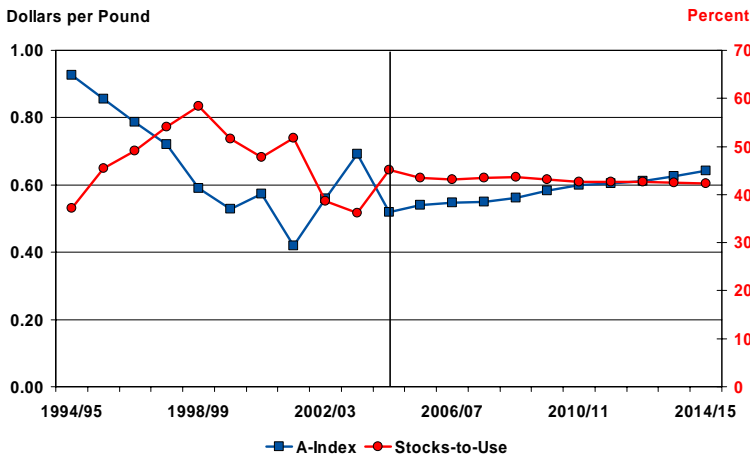
Cotton Outlook

World Cotton Consumption



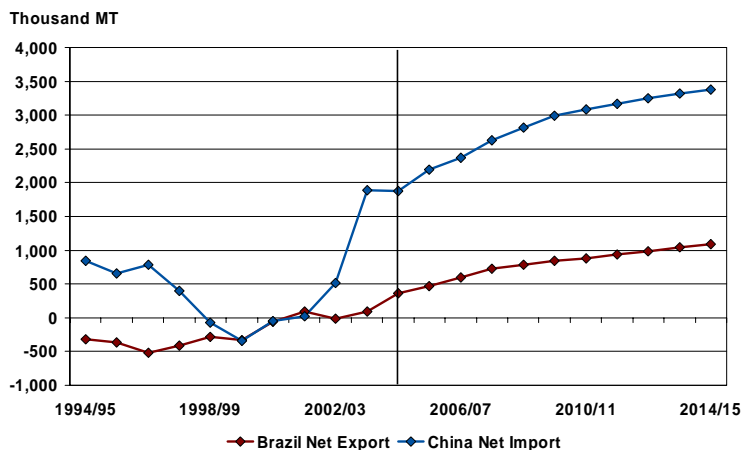
The 2004/05 crop can be characterized simply as record breaking. A record 36 mha of cotton were harvested, producing a record crop of 25 mmt of cotton. In such an instance one might suspect a complete collapse in prices; however, record consumption of 23 mmt in 2004/05 has kept the year's anticipated A-index price at \$1,146 per mt. The A-Index rises slowly to \$1,414 per mt by the end of the projection period.

Cotton Stocks-to-Use Ratio vs. Price



Chinese consumption of fibers has moved sharply higher in the last several years with the phasing out of textile quotas under WTO agreements, which has benefited Chinese textile producers. The Chinese have significantly reduced cotton stocks over the last decade, leaving much of the increase in consumption to be met by imports. Net imports in China are 1.9 mmt in 2004/05; they reach 3.4 mmt in 2014/15. Consumption in China and elsewhere in Asia drives world consumption numbers higher, reaching 26.4 mmt by 2014/15.

World Cotton Trade



The increase in demand by China will be met in part by an increased acreage in Brazil. Area in Brazil, estimated at 1.1 mha in 2004/05, is expected to expand to 1.7 mha by 2014/15. Yields in Brazil are also above the world average at 1,190 kg per ha and are expected to expand to 1,231 kg per hectare by 2014/15. The additional area coupled with impressive yields results in production that reaches 2.1 mmt by the end of the forecast period, resulting in net exports of 1.1 mmt.

Cotton Trade

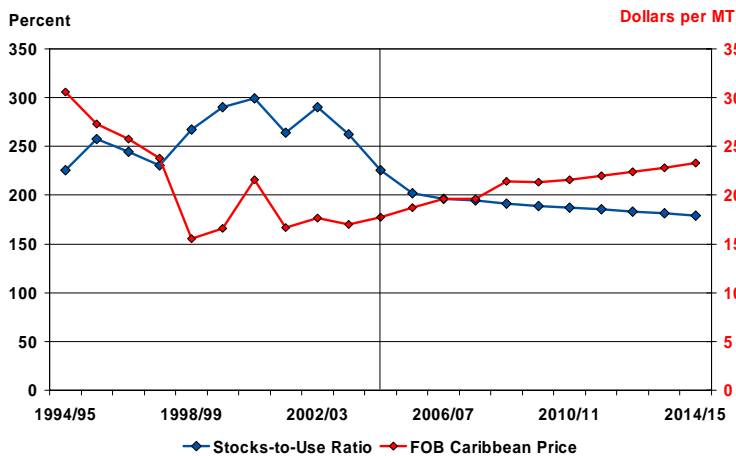
	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	10	11	13	15	17	19	21	24	26	28	30
Australia	370	554	623	655	675	693	712	730	748	766	784
Brazil	358	465	602	721	790	837	883	936	989	1,039	1,092
Other Africa	1,126	1,268	1,314	1,333	1,339	1,359	1,378	1,395	1,411	1,428	1,447
Other CIS	374	286	302	314	317	320	334	337	329	322	330
Other Middle East	140	153	163	171	180	191	198	204	211	218	226
United States	2,748	2,953	2,915	2,964	3,046	3,125	3,152	3,172	3,215	3,263	3,294
Uzbekistan	739	709	689	673	661	650	641	632	623	614	605
Total Net Exports *	5,866	6,400	6,620	6,846	7,024	7,196	7,320	7,430	7,551	7,693	7,858
Net Importers											
Canada	77	73	73	72	71	71	70	70	68	67	66
China	1,881	2,190	2,374	2,622	2,819	2,988	3,089	3,164	3,246	3,319	3,382
European Union	326	241	202	175	144	109	76	46	17	-15	-50
India	14	26	78	62	44	43	52	71	92	120	153
Indonesia	497	489	496	503	512	521	528	538	549	552	559
Japan	154	152	148	145	136	125	121	113	101	90	78
Mexico	305	330	323	309	299	290	281	274	267	261	256
Other Asia	1,097	1,053	1,069	1,083	1,100	1,123	1,146	1,167	1,186	1,209	1,233
Other Europe	64	57	55	54	52	52	55	57	58	60	62
Other Latin America	122	150	162	165	166	168	171	172	175	179	184
Pakistan	91	347	355	349	350	355	361	370	382	406	435
Russia	322	330	337	346	353	360	365	371	379	388	398
South Africa	41	42	43	43	43	41	39	38	37	35	33
South Korea	283	278	268	259	248	240	233	226	218	209	200
Taiwan	256	224	223	221	218	213	209	205	200	196	190
Turkey	458	537	535	559	588	618	644	668	693	721	750
Residual	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120
Total Net Imports	5,866	6,400	6,620	6,846	7,024	7,196	7,320	7,430	7,551	7,693	7,858
Prices	(U.S. Dollars per Metric Ton)										
Cotlook A Index **	1,146	1,190	1,207	1,212	1,236	1,288	1,323	1,334	1,348	1,378	1,414
CIF Northern Europe											
U.S. Farm Price	949	960	1,002	1,007	1,020	1,060	1,098	1,122	1,139	1,165	1,203

* Total net exports are the sum of all positive net exports and negative net imports.

** The "A" index is the average of the five lowest CIF Northern European quotes of the following descriptions (Middling 1-3/32"): Memphis; Calif./Ariz.; Mexican; Central American; Paraguayan; Turkish Izmir/Antalya; Central Asian; Pakistani 1503; Indian H-4; Chinese 329; African 'Franc Zone'; Tanzanian; Greek; and Australian.
Source: Cotlook, Ltd., Liverpool, England.

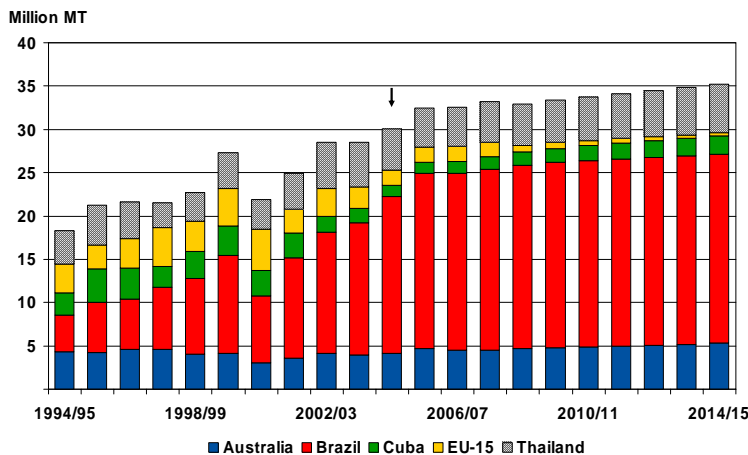
Sugar Outlook

World Sugar Stocks-to-Use Ratio vs. Price



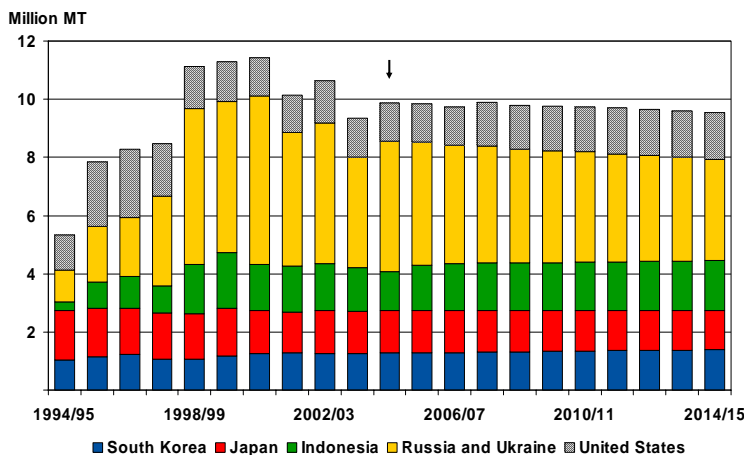
World sugarcane harvested area increases by 8.8% between 2004/05 and 2014/15, while sugar beet area harvested increases by 4.7% despite the reduction in EU beet area. The world sugar price increased by 4.3% in 2004/05. The price spikes in 2009/10 as the EU reduces beet quota production to accommodate higher imports from EBA countries. By 2014/15, the price is expected to increase to 10.6¢ per pound. The stocks-to-use ratio will continue to decline to 17.9% by 2014/15. World sugar production, consumption and trade increase by 20.6%, 21.6% and 16.5%, respectively, by 2014/15.

Sugar Net Exports by Major Exporters



Australia, Brazil, Cuba, the EU-15, and Thailand captured the growth in world sugar trade, accounting for 90.7% of world trade in 2004/05. Brazil increased its sugar production by 7.5%, or 2 mmt, in 2004/05, thus continuing the trend of record production. Given the restructuring of the Cuban sugar industry, its production increases by 42% over the projection period. EU-15 beet production declines by 18.6% between 2002/03 and 2014/15 following reduction in production quotas to meet WTO subsidized export limits and higher imports from EBA countries in 2009.

Sugar Net Imports by Major Importers



Russia and Ukraine are the largest importers of sugar and together account for 9% of world trade by the end of the projection period. Asia remains the largest importing region, with China, Indonesia, Japan, Malaysia, and South Korea accounting for 18.5% of world trade by 2014/15. Drought conditions and industry problems in India decreased cane production for the third consecutive year. Indian net imports increased to 1.8 mmt in 2004/05 and are expected to increase to 4.7 mmt in 2005/06 and to 5.4 mmt by 2014/15.

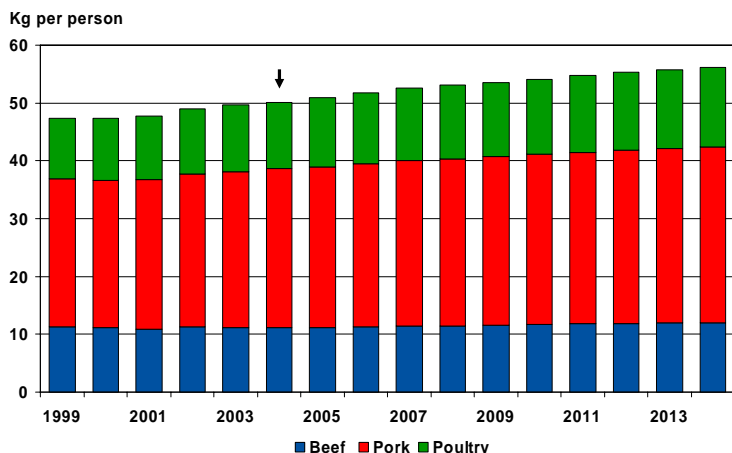
Sugar Trade

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Exporters	(Thousand Metric Tons)										
Argentina	280	210	258	284	325	347	368	388	408	428	449
Australia	4,154	4,722	4,492	4,544	4,658	4,771	4,875	4,979	5,084	5,192	5,301
Brazil	18,100	20,167	20,426	20,849	21,171	21,394	21,524	21,623	21,708	21,786	21,863
Colombia	1,215	1,216	1,239	1,252	1,287	1,306	1,320	1,334	1,347	1,360	1,373
Cuba	1,250	1,320	1,391	1,459	1,550	1,631	1,714	1,800	1,889	1,981	2,076
European Union-15	1,804	1,701	1,719	1,672	753	692	614	544	477	412	328
EU New Member States	200	191	165	139	111	85	54	23	-8	-41	-75
India	-1,780	-4,692	-5,166	-5,375	-5,178	-5,284	-5,327	-5,355	-5,377	-5,404	-5,428
Mexico	-9	14	23	146	147	168	184	203	221	239	257
Pakistan	214	9	-85	-171	-193	-256	-313	-369	-423	-481	-539
South Africa	994	805	797	851	926	993	1,060	1,124	1,183	1,237	1,287
Thailand	4,800	4,571	4,569	4,639	4,783	4,922	5,061	5,202	5,347	5,497	5,650
Total Net Exports *	33,211	35,167	35,338	36,084	35,991	36,572	37,013	37,430	37,844	38,278	38,697
Net Importers											
Algeria	1,155	1,189	1,214	1,247	1,266	1,299	1,328	1,356	1,385	1,413	1,443
Canada	1,350	1,363	1,371	1,387	1,391	1,411	1,428	1,444	1,459	1,475	1,490
China	1,150	1,052	1,062	1,130	1,105	1,150	1,189	1,226	1,262	1,298	1,336
Egypt	940	947	963	1,010	1,018	1,066	1,112	1,157	1,203	1,248	1,294
Indonesia	1,350	1,548	1,598	1,621	1,623	1,637	1,650	1,664	1,677	1,691	1,703
Iran	500	522	532	556	540	558	572	585	600	613	627
Japan	1,452	1,448	1,442	1,432	1,420	1,410	1,399	1,389	1,379	1,368	1,357
Malaysia	1,095	1,120	1,146	1,178	1,201	1,234	1,265	1,296	1,328	1,361	1,394
Morocco	520	555	575	598	608	631	652	674	696	719	743
Peru	10	18	14	12	-4	-8	-10	-12	-13	-13	-14
Philippines	-200	-140	-120	-101	-104	-89	-75	-60	-44	-27	-10
Russia and Ukraine	4,490	4,251	4,093	4,015	3,916	3,861	3,794	3,721	3,645	3,564	3,479
South Korea	1,275	1,286	1,296	1,312	1,317	1,333	1,346	1,357	1,368	1,378	1,387
Turkey	0	-101	-140	-148	-172	-165	-154	-139	-123	-106	-89
United States	1,305	1,302	1,306	1,503	1,506	1,526	1,543	1,560	1,578	1,595	1,613
Venezuela	215	288	309	318	316	327	338	352	367	381	395
Rest of World	8,576	7,548	7,125	7,181	7,354	7,549	7,720	7,887	8,052	8,209	8,355
Total Net Imports	33,211	35,167	35,338	36,084	35,991	36,572	37,013	37,430	37,844	38,278	38,697
Prices	(U.S. Dollars per Metric Ton)										
FOB Caribbean Price	178	187	196	196	215	213	216	220	224	228	233
New York Spot	463	453	468	433	453	447	449	450	451	452	452

* Total net exports are the sum of all positive net exports and negative net imports.

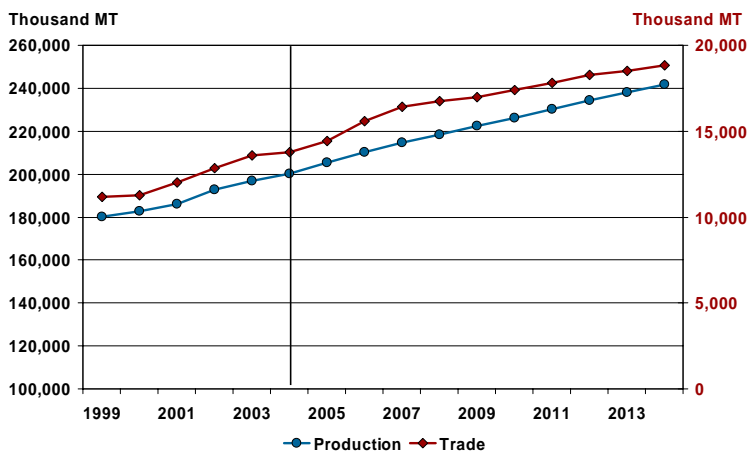
Meat Outlook

Per Capita Meat Consumption



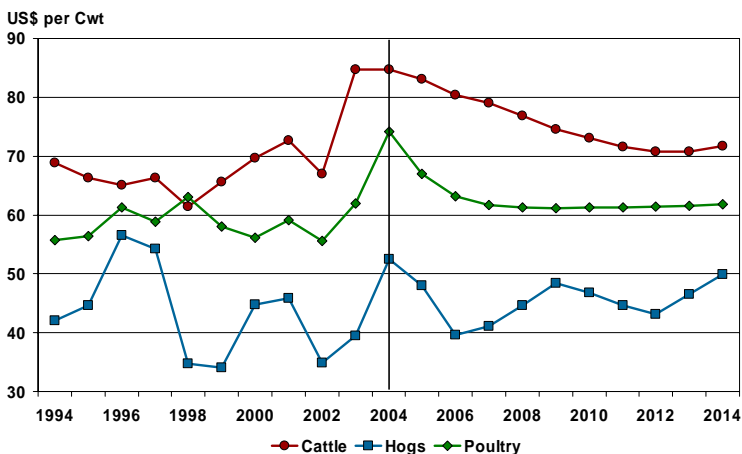
Driven by incomes rising at 3.5% to 6.5% regionally, per capita meat consumption increases by 6.1 kg over the baseline, reaching a level of 56.2 kgs per person per year by 2014. Poultry consumption overtakes beef consumption in 2001 and grows the fastest among the three meats.

World Meat Production and Trade



SPS concerns, BSE and AI in particular, caused a weak 1.5% growth in world meat trade in 2004. Recovery in meat demand increases world meat trade by 36.6% (5.1 mmt) in the next decade; trade reaches 18.8 mmt in 2014. Rising meat demand fuels a 20.7% growth in total meat production over the next decade (a 41.5 mmt increase); production reaches 241.8 mmt in 2014.

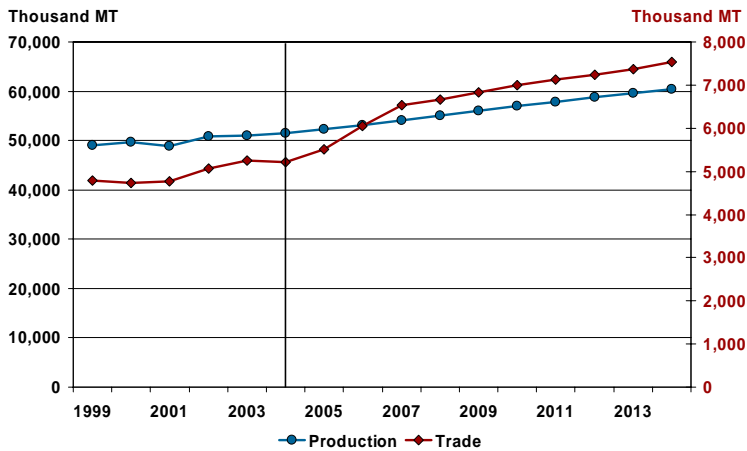
U.S. Livestock and Poultry Prices



The BSE case in Canada drove the U.S. beef price to record highs in 2003 and prices remained high in 2004 at \$84.8/cwt despite a U.S. BSE case. Thereafter, the price declines by 2.2% annually from 2006 to 2012 but reverses with a gain of 0.8% in the last two years. Pork and broiler prices were also 33.1% and 19.6% higher in 2004. The pork price cycles throughout the decade. It peaks again in 2009 at \$48.4/cwt and ends at \$49.9/cwt. The poultry price declines by 3.7% in the next five years. For the rest of the period, the price rises at an average rate of 0.2%, reaching \$61.9/cwt in 2014.

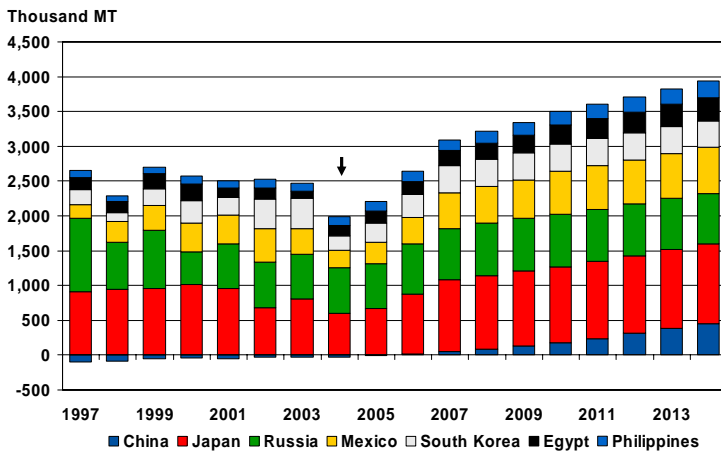
Beef Outlook

World Beef Production and Trade



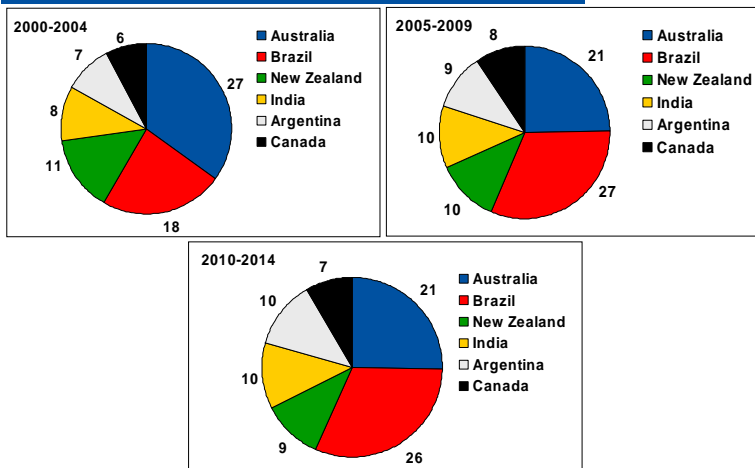
Confirmed BSE cases in both Canada and the U.S. prompted major export markets such as Japan, South Korea, and Mexico to close their borders. Recovery takes three years to reach pre-crisis trade levels. After declining by 0.6% in 2004, world beef trade recovers and continues to grow by an average rate of 4.4%, ending at 7.5 mmt in 2014. Beef production grows by 1.7%, reaching 60.4 mmt in 2014.

Major Beef Importing Countries



A weak economy and the BSE scare reduced Japan's net imports of beef in 2002 by 289 tmt. Recovery in 2003 was only moderate, with a triggered safeguard and high world prices. Net imports declined again in 2004 because of the U.S. BSE case. Net imports reach 1.1 mmt in 2014. Declining cattle numbers coupled with economic and population growth fuel more net imports by Mexico, with quantity ending at 663 tmt in 2014. Despite its new quota, Russia's net import peaks in 2009 at 759 tmt to meet a shortfall in production.

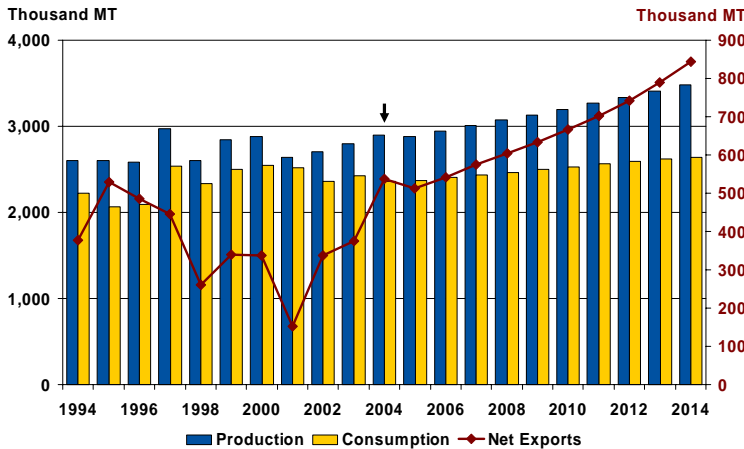
Beef Export Market Share (percent)



Australia starts with a large share but loses 7.7 points. Its export of live animals continues to grow. Depreciating currency and productivity improvements allow Brazil to capture 9.5 points in market share. Argentina regains 4.0 points, while India gains 1.6 points because of the growing demand of its cheap carabeef. New Zealand loses 2.1 points, and Canada regains market share of 1.9 points. The EU-15 and China become net importers over the projection period.

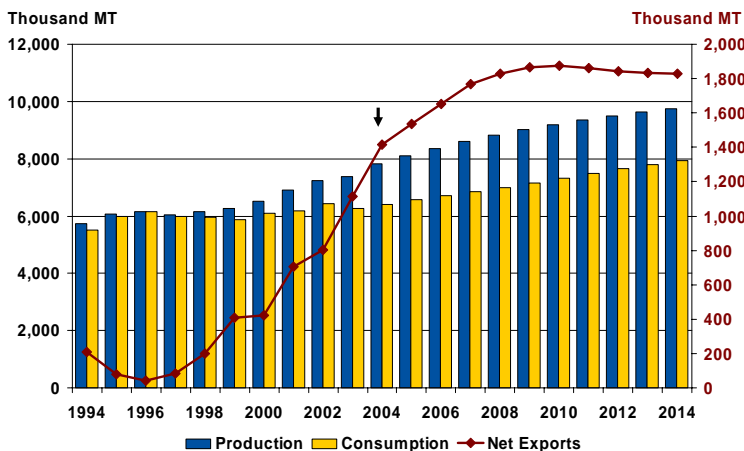
Beef Major Exporters

Argentine Beef Supply and Utilization



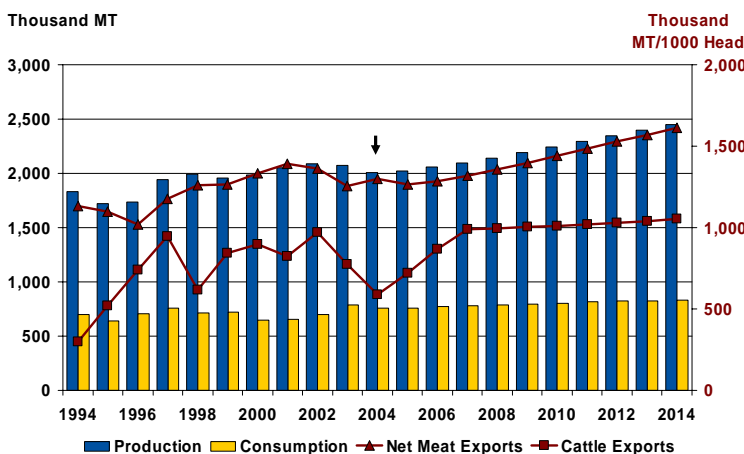
With North American beef exports restricted in many markets because of BSE, Argentine exports jumped by 43.6% in 2004. Herd rebuilding thereafter softens short-term exports but expands exports in the outer years. Currency devaluation throughout the next decade improves Argentina's competitiveness. Net exports in 2014 are 843 tmt.

Brazilian Beef Supply and Utilization



Improvement in productivity (breeding and feeding programs), favorable domestic policies (credit, infrastructure, fiscal incentives), aggressive promotion, and weakening currency enhance Brazil's competitiveness. Brazil's beef exports have grown by 36.9% annually since 2001. Growth in the next five years is at 9.3%. Other countries face SPS challenges. Brazil has several states that are FMD-free, accounting for 84% of its animal inventory. Exports decline in the second half by 0.6%, as consumption growth of 2.2% exceeds the 1.6% production growth.

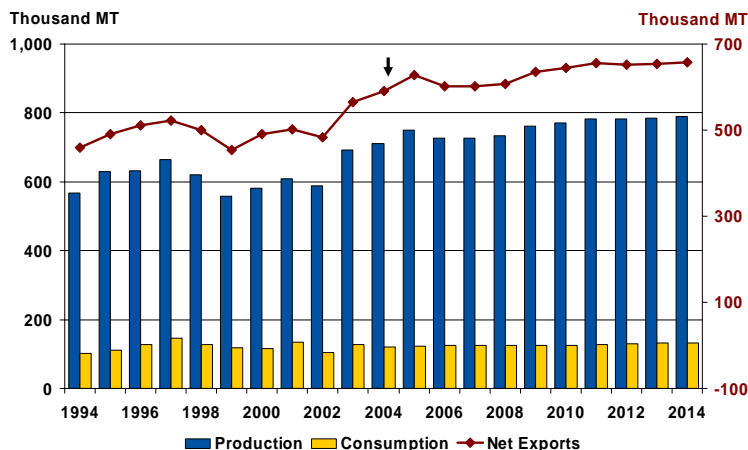
Australian Beef Supply and Utilization



Drought in 2001/02 triggered slaughter and expanded exports during a period when other exporters faced SPS challenges but left fewer animals in 2003. After declining by 7.6%, exports recovered in 2004; they continue to grow annually at 2.4% the rest of the decade. Export of live animals in 2004 is only 60% of the peak in 2002 but grows by 8.0% annually, reaching 1.1 million head in 2014.

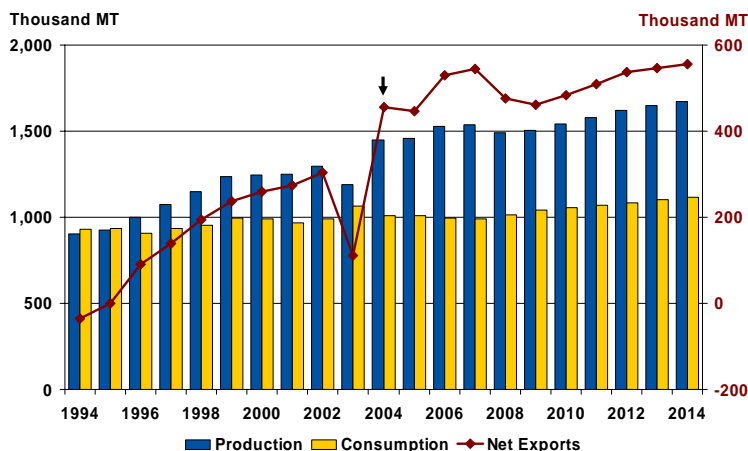
Beef Major Exporters

New Zealand Beef Supply and Utilization



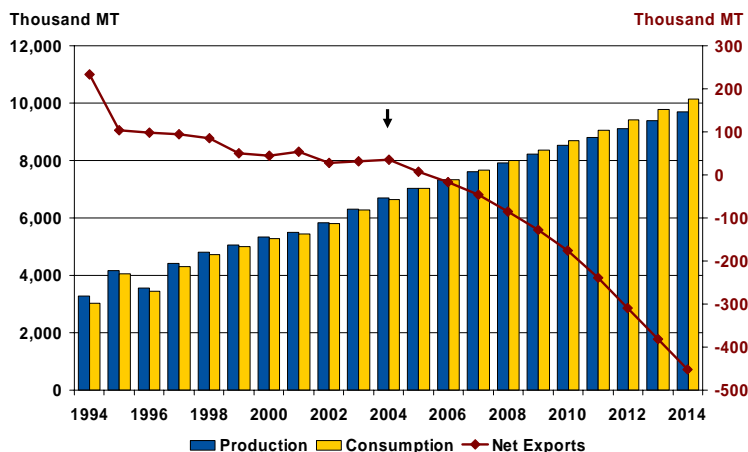
The timing of recovery from droughts in the early 2000s allowed exports to expand in 2003/04 by 10.6%. Exports continue to grow the rest of the decade at 1.1% annually, reaching 657 tmt in 2014.

Canadian Beef Supply and Utilization



After a 63.4% drop in 2003 due to BSE, Canada's beef exports increased by 309.9% in 2004. The abnormal animal inventory build-up allows net exports to further expand in the next three years as markets continue to open. After the impact of the BSE case wanes, exports grow at a normal pace of 3.8% for the rest of the decade. It is assumed that exports of live cattle to the U.S. will take three years to fully recover to pre-BSE levels.

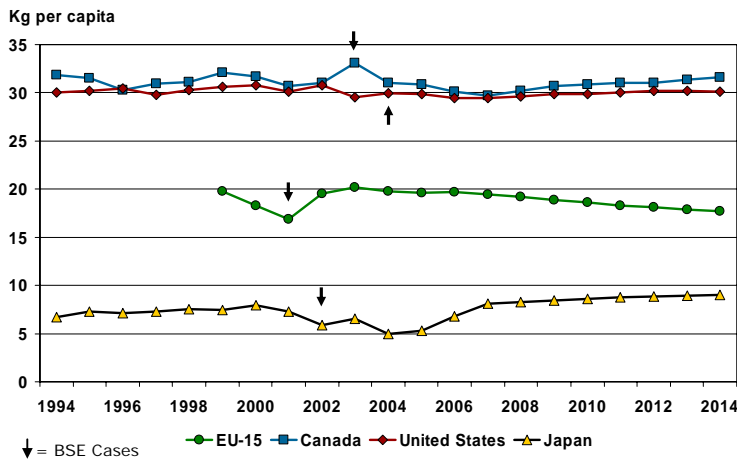
Chinese Beef Supply and Utilization



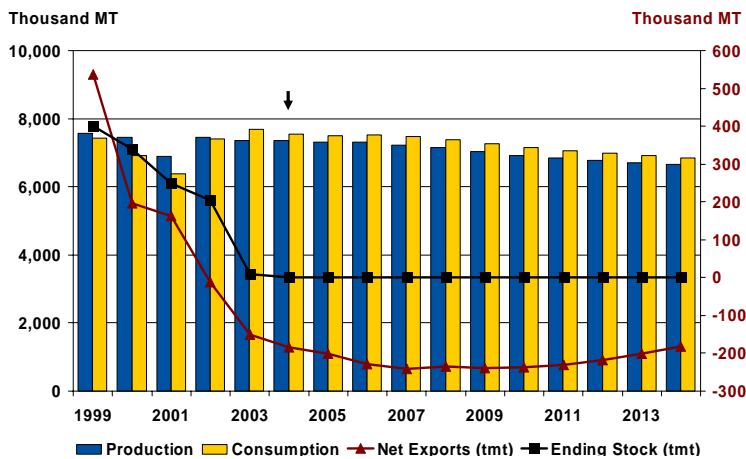
The beef sector has the highest trade import duty of all meats in China. China has always exported beef in the past, but with its accession to the WTO, it becomes a net importer. Its net imports reach 452 tmt in 2014, as consumption growth of 4.8% exceeds production growth of 4.3%.

Beef BSE Issue

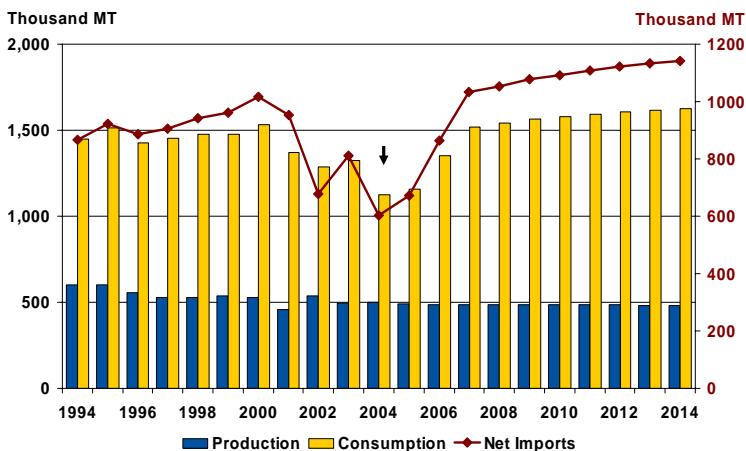
Per Capita Beef Consumption



EU-15 Beef Supply and Utilization



Japanese Beef Supply and Utilization



Coming out of a weak economy and the BSE scare, per capita consumption of imported beef in Japan in 2004 is only 62% of its peak in 2000. The shift away from beef benefited mostly pork since chicken imports were also affected by AI. Per capita pork consumption increased by 5% in 2004. Unlike cases in Japan and the EU-15, the reported BSE case in Canada did not adversely affect consumption. In fact, per capita consumption in 2003 increased by 6.7%, driven by lower prices as more supply was retained in the domestic market.

After recovery from the BSE scare, per capita beef consumption returns to the long-term downward trend, declining by 1.1% annually. Beef production declines the rest of the decade by 1.0%, driven by lower dairy cattle production. With termination of the intervention scheme, stocks accumulated since 2002 are fully released to the market by 2004. After maximum decoupling of support in the beef sector beginning in 2007, production declines faster, at a rate of 1.2%. The EU-15 was already a small net importer in 2002 and continues in this position for the rest of the decade.

A weak economy and a crisis in consumer confidence because of BSE reduced Japan's imports of beef in 2002 by 289 tmt. Recovery in 2003 was only moderate, with the triggered safeguard and high world prices. Net imports declined again in 2004 with closure of Japan's border to U.S. beef exports after the confirmed U.S. BSE case. Continuing declines in production, at 0.4%, and a 2.2% growth in consumption fuel expansion of net imports, which grow at 4.0% and reach 1.1 mmt in 2014.

Beef and Veal Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Argentina	537	512	541	574	604	633	667	702	742	790	843
Australia	1,299	1,264	1,285	1,321	1,357	1,399	1,442	1,484	1,527	1,571	1,615
Brazil	1,415	1,534	1,653	1,766	1,828	1,864	1,874	1,860	1,842	1,834	1,830
Canada	455	447	530	544	476	461	484	510	537	547	556
China - Mainland	35	7	-16	-47	-85	-128	-176	-238	-309	-382	-452
EU New Member States	70	42	39	33	16	5	-12	-31	-54	-72	-88
European Union-15	-185	-201	-229	-242	-235	-240	-236	-231	-217	-202	-183
India	540	605	630	649	673	689	700	709	715	724	740
New Zealand	590	628	602	602	608	635	644	655	652	654	657
Thailand	-1	2	4	1	-4	-11	-15	-18	-22	-27	-31
Ukraine	98	29	-30	-66	-87	-102	-114	-123	-129	-129	-128
United States	-1,419	-1,180	-878	-577	-467	-397	-298	-235	-176	-123	-108
Total Net Exports *	3,434	3,687	4,130	4,558	4,682	4,810	4,960	5,044	5,106	5,184	5,251
Net Importers											
Bulgaria	23	24	26	26	26	27	27	28	28	28	27
China - Hong Kong	82	82	85	88	92	96	99	102	104	107	109
Egypt	150	174	193	210	230	250	268	287	305	319	329
Indonesia	1	13	23	27	32	38	46	55	64	70	75
Japan	604	671	865	1,032	1,054	1,077	1,093	1,109	1,122	1,134	1,142
Mexico	260	319	384	516	533	555	623	629	626	646	663
Other CIS †	5	-8	-8	-13	-12	-13	-11	-11	-8	-7	-5
Other Eastern Europe ‡	20	25	24	19	19	21	24	26	29	31	33
Philippines	125	134	141	153	167	184	194	204	213	225	235
Romania	3	11	20	23	27	32	37	42	45	45	46
Russia	645	637	712	740	754	759	754	750	743	736	729
South Africa	6	10	0	-6	0	7	16	17	17	19	23
South Korea	200	269	327	390	392	392	391	390	388	387	384
Taiwan	81	83	85	88	92	95	98	102	105	108	111
Rest of World	1,230	1,242	1,254	1,265	1,277	1,289	1,301	1,313	1,325	1,337	1,349
Total Net Imports	3,434	3,687	4,130	4,558	4,682	4,810	4,960	5,044	5,106	5,184	5,251
Nebraska Direct	(U.S. Dollars per Metric Ton)										
Fed Steer Price	1,868	1,831	1,773	1,742	1,694	1,645	1,612	1,577	1,559	1,561	1,582

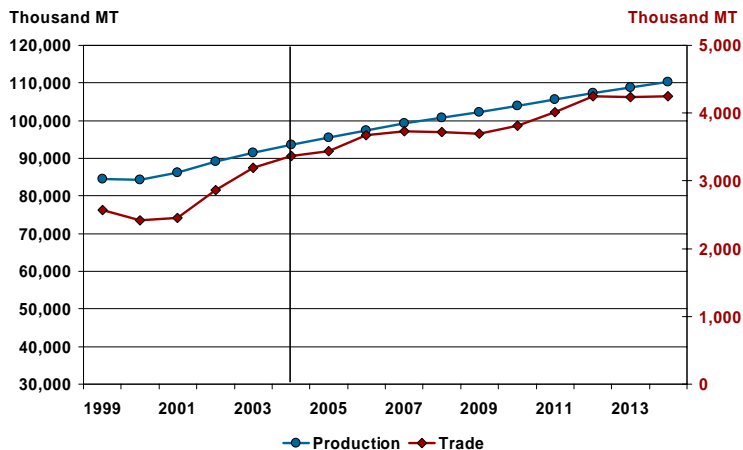
* Total net exports are the sum of all positive net exports and negative net imports.

† Countries included: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova Republic, Tajikistan, Turkmenistan, and Uzbekistan.

‡ Countries included: Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Yugoslavia.

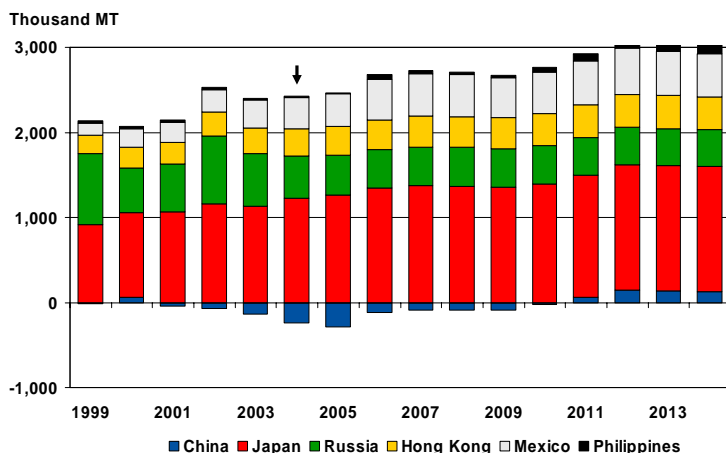
Pork Outlook

World Pork Production and Trade



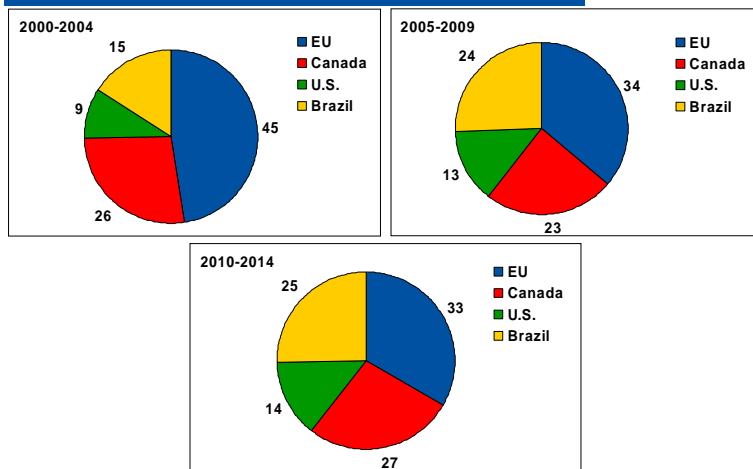
Benefiting from trade shocks from BSE and AI for beef and broiler, pork trade grows the strongest in 2004 at 5.8%. Pork trade grows the rest of the decade by 2.6% annually (0.9 mmt), reaching 4.2 mmt in 2014. Pork production increases at a rate of 1.8% (16.7 mmt), reaching 110.2 mmt in 2014. From a peak in 2004 of \$52.5/cwt, the pork price cycles throughout the decade. The pork price peaks again in 2009 at \$48.4/cwt and ends at \$49.9/cwt, which is 3.0% higher.

Imports by Major Pork Importing Countries



With beef and broiler imports restricted by BSE and AI, respectively, Japanese pork imports increased by 8.1% in 2004. WTO accession, boost imports in Taiwan to 4.9% annual growth. South Korea imports grow by 2.7% despite closure of Japanese markets. Russia's pork imports decline by 1.3% as a new import quota with high duty rates encourages domestic production. Mexico's growing population and disposable income, raise imports by 3.9%; imports reach 507 tmt in 2014. Economic growth in China and accession to the WTO make China a pork net importer; net imports peak at 142 tmt in 2012.

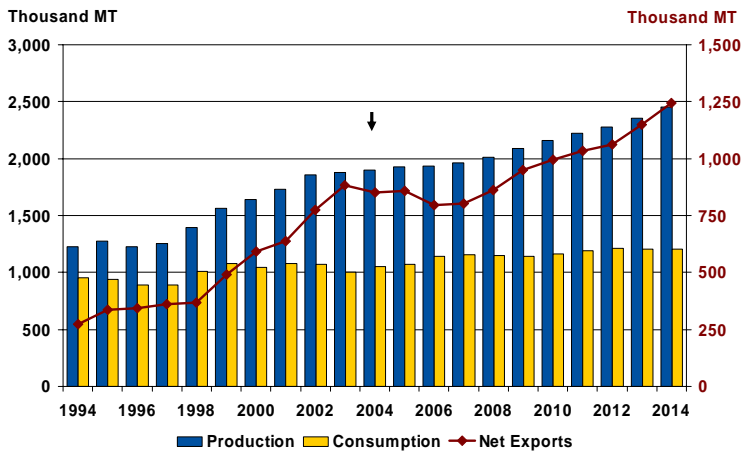
Pork Export Market Share



The EU loses market share, going from 45.0% to 32.8%. Also, the long-term competitiveness of the EU is not very promising, given the higher feed cost (MBM ban), appreciating currency, and strict animal welfare and environmental regulations. All other major competing exporters gain some market share, including Canada, the U.S., and Brazil at 0.6, 4.9, and 9.3 percentage points, respectively, in the next decade. Brazil's long-term prospects are good, with new investments to improve infrastructure and raise productivity.

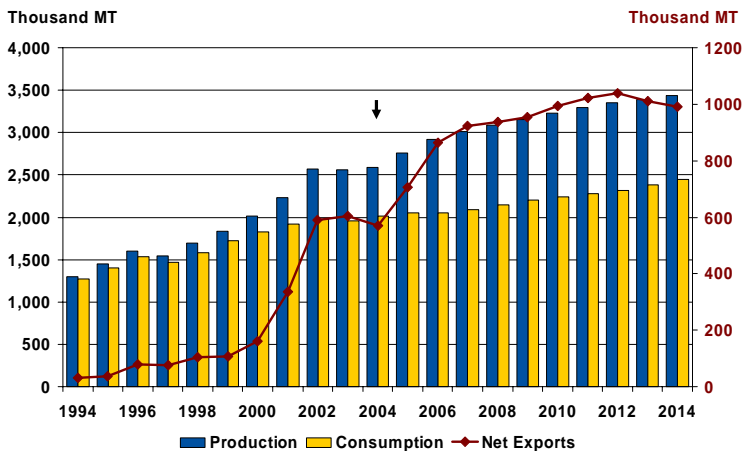
Pork Major Exporters

Canadian Pork Supply and Utilization



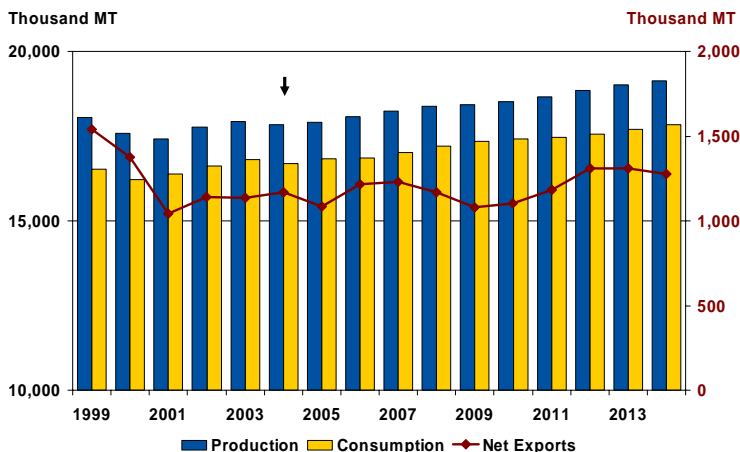
Pork production in Canada grows by 2.9%, exceeding consumption growth of only 2.0% as investments in hog production and processing are expanded. This allows Canada to export more pork; exports grow by 4.6% annually, reaching 1.2 tmt in 2014. Canada's export of live hogs to the U.S. continues to grow at 3.0%, reaching 11.2 million head in 2014.

Brazilian Pork Supply and Utilization



Brazil's net pork exports grow by 7.4% in the next decade, as growth in production of 3.3% exceeds growth in consumption of 2.1%. Net exports peak at 1040 tmt in 2012. Improvement in productivity (breeding and feeding programs), favorable domestic policies (credit, infrastructure, fiscal), and weakening currency improve Brazil's competitiveness in the world pork market. Faster consumption growth in the end slightly dampens net exports.

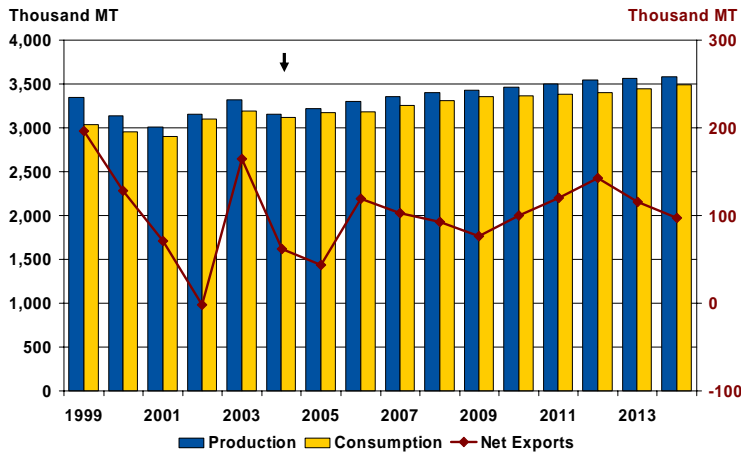
EU-15 Pork Supply and Utilization



The EU-15's pork net exports increased in 2004 by 2.8% as exports of beef and broiler from other countries were restricted because of SPS concerns. For the rest of the decade exports are stable, with changes driven by changes in world demand. Environmental regulations and animal welfare requirements limit the EU's (especially the EU-15's) long-term capacity, and production grows by only 0.7% annually.

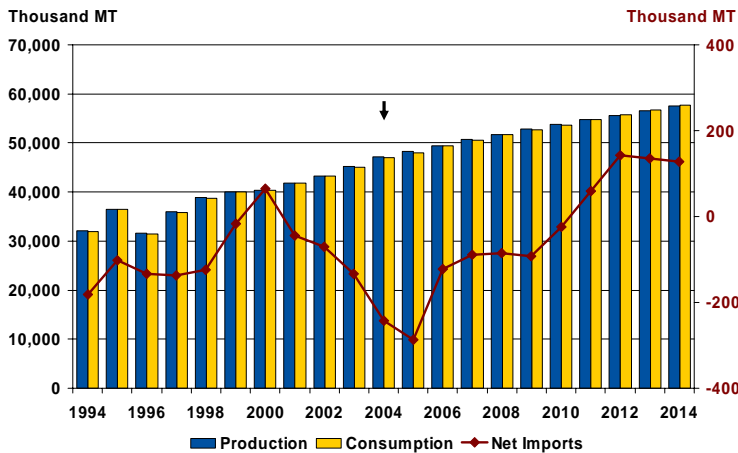
Pork Exporters and Importers

EU New Member States Pork Supply and Utilization



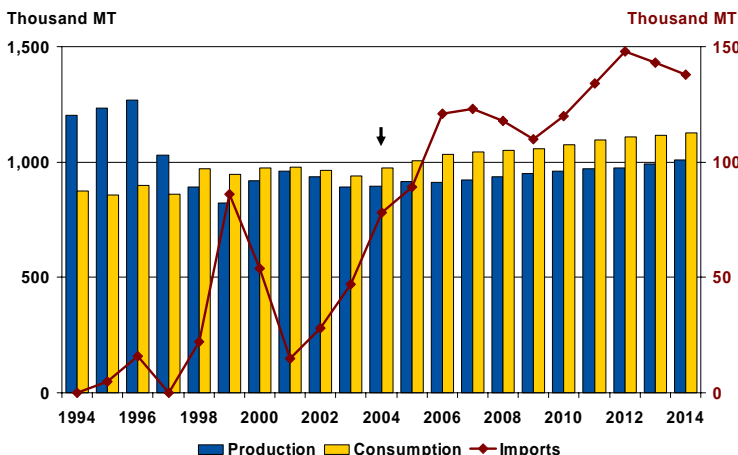
Hungary is the major net exporter of pork to third countries among the 10 NMS. Aggregate NMS net exports are stable to slightly increasing, going from 62 to 97 tmt, and peaking at 143 tmt in 2012, as production grows by 1.4% while consumption grows by only 1.2%.

Chinese Pork Supply and Utilization



Pork is produced cheaply by backyard producers in China, but commercial producers' costs are comparable to those of other countries. WTO accession opens market opportunities in coastal population centers, as tariffs are reduced from 20% to 12%, and as foreign firms are allowed to engage in distribution. Net imports expand to 127 tmt in 2014, as production growth of 2.2% falls slightly short of the 2.3% growth in consumption.

Taiwanese Pork Supply and Utilization



Taiwan's pork sector was devastated by the 1997 countrywide FMD outbreak and subsequent ban of exports to Japan. Production declined by 28.9% between 1996 and 2003. With WTO accession, production increases only slightly, by 1.3%, and imports expand by 4.9% to meet the 1.6% annual increases in consumption.

Pork Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Australia	-15	-14	25	47	56	55	53	51	50	42	31
Brazil	570	706	863	923	937	953	993	1,021	1,040	1,011	990
Canada	850	860	794	803	863	949	996	1,035	1,063	1,148	1,244
EU New Member States	62	44	119	103	93	76	100	120	143	115	97
European Union-15	1,170	1,083	1,215	1,231	1,170	1,078	1,104	1,185	1,311	1,309	1,275
Other CIS †	14	13	15	14	10	6	2	0	-2	-7	-13
Thailand	0	0	0	0	0	0	0	0	0	0	0
United States	464	438	508	505	492	472	526	588	626	609	605
Total Net Exports *	3,116	3,131	3,539	3,624	3,621	3,587	3,776	4,001	4,231	4,225	4,229
Net Importers											
Argentina	48	45	42	46	52	59	62	66	70	77	85
Bulgaria	25	22	18	16	16	16	14	12	8	8	7
China - Hong Kong	317	330	352	360	362	363	372	382	390	390	390
China - Mainland	-242	-287	-122	-89	-86	-93	-24	59	142	135	127
Indonesia	0	0	0	0	0	0	0	0	0	0	0
Japan	1,225	1,264	1,343	1,375	1,370	1,357	1,396	1,439	1,482	1,474	1,470
Mexico	365	391	479	500	494	474	493	517	544	525	507
New Zealand	2	-4	-10	-11	-9	-7	-7	-8	-8	-5	-1
Other Eastern Europe ‡	16	34	35	26	23	22	23	25	27	30	34
Philippines	23	4	56	44	31	26	56	89	126	123	124
Romania	90	87	62	66	81	89	87	89	88	97	108
Russia	499	473	455	453	454	451	448	441	435	433	433
South Korea	189	196	224	227	222	217	225	236	246	244	240
Taiwan	78	88	120	120	114	105	113	125	136	127	116
Ukraine	18	14	-2	-9	-11	-7	-9	-7	-3	11	24
Rest of World	463	474	488	498	507	515	526	537	548	556	565
Total Net Imports	3,116	3,131	3,539	3,624	3,621	3,587	3,776	4,001	4,231	4,225	4,229
Barrow and Gilt Price, National	(U.S. Dollars per Metric Ton)										
Base 51-52% Lean Equivalent	1,158	1,058	874	906	983	1,067	1,031	984	949	1,025	1,099

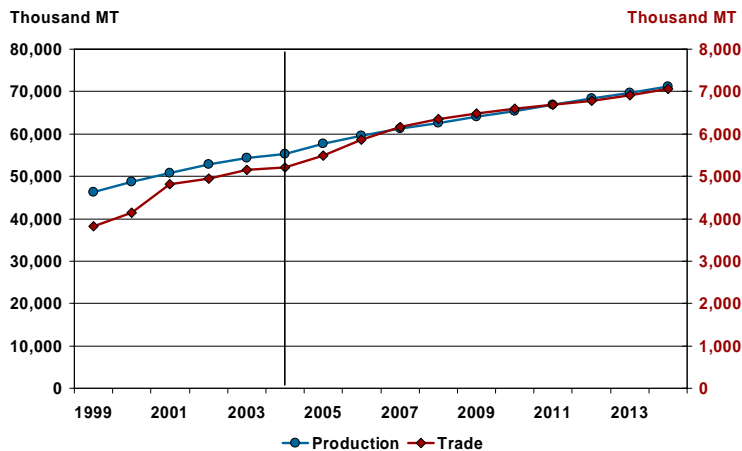
* Total net exports are the sum of all positive net exports and negative net imports.

† Countries included: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova Republic, Tajikistan, Turkmenistan, and Uzbekistan.

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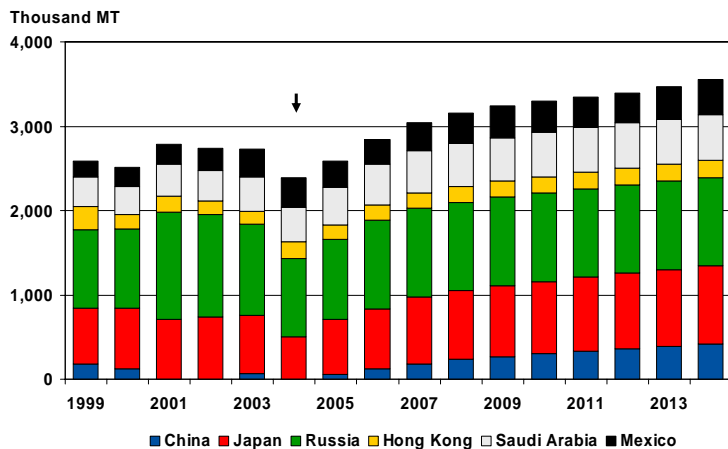
Poultry Outlook

World Broiler Production and Trade



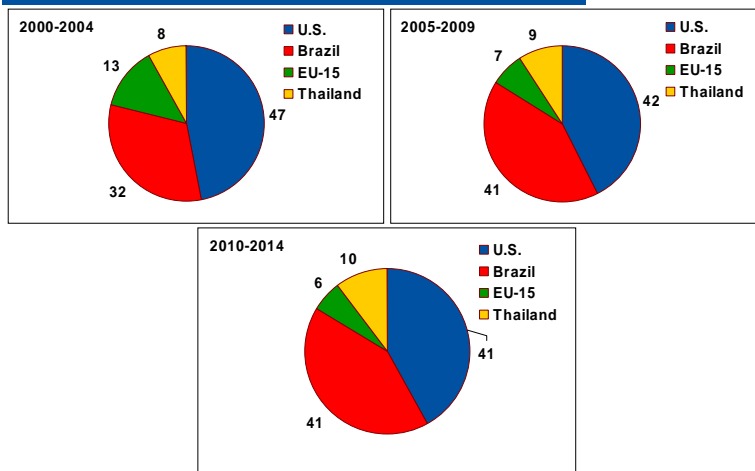
After a weak growth of only 0.9% in 2004 due to AI, broiler trade grows at a rate of 3.6% over the rest of the decade. Total broiler trade increases by 1.9 mmt, reaching 7.1 mmt in 2014. Total broiler production increases by 15.8 mmt, 2.9% annually, reaching 70.9 mmt in 2014. After a 19.6% increase in 2004, the poultry price declines by 3.7% in the next five years. For the rest of the period, the price rises at an average rate of 0.2%, reaching \$61.9/cwt in 2014.

Net Imports by Major Broiler Importing Countries



After a 28.0% decline in net imports due to AI in China and Thailand, Japan's net imports grow 8.6% over the rest of the decade. Economic growth in South Korea, Indonesia, and Philippines raises imports of poultry products in these countries. Broiler imports in Mexico increase by 2.9% annually, reaching 410 tmt in 2014. With strict quantity limits, Russia's broiler imports stay at the 1.1 mmt quota level. China's accession to the WTO makes it a net importer of broiler, at 416 tmt in 2014. WTO accession boosts Taiwan's broiler imports. They grow at 17.9% annually, reaching 173 tmt in 2014. The high cost of production in Saudi Arabia fuels net import growth of 3.4%.

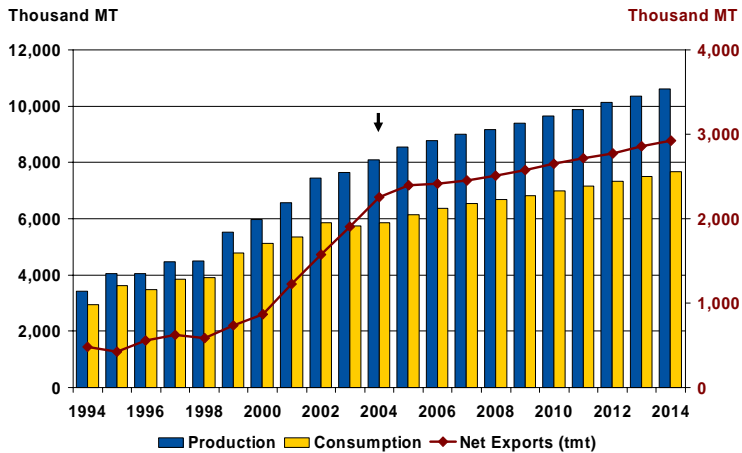
Broiler Export Market Share



Despite rising levels of exports, the U.S. loses 5.3 percentage points of market share. The EU is faced with animal welfare and environmental regulations that may limit future expansion of production. It loses 6.3 percentage points of market share. Brazil gains 9.2 percentage points of market share, aided by its depreciating currency and new production investments in the grain-rich Center-West region. After exports decline by 55.6% because of AI, Thailand regains 1.7 percentage points of market share, mostly in the latter part of the decade. A shift to cooked and higher-valued products enable Thailand to partly overcome SPS concerns and its higher cost of production.

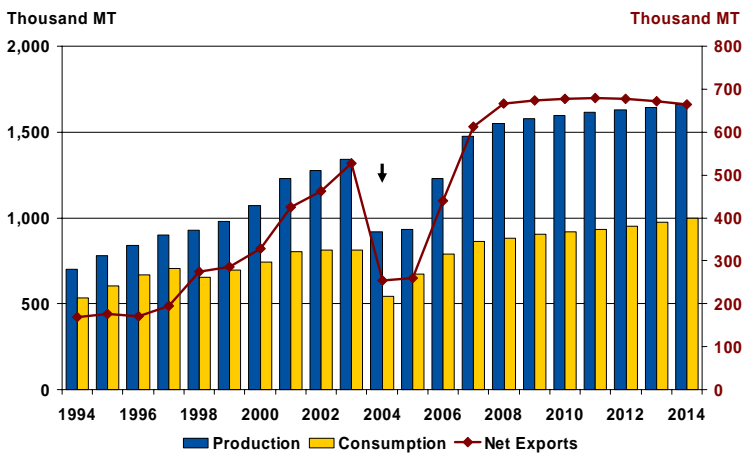
Poultry Major Exporters

Brazilian Broiler Supply and Utilization



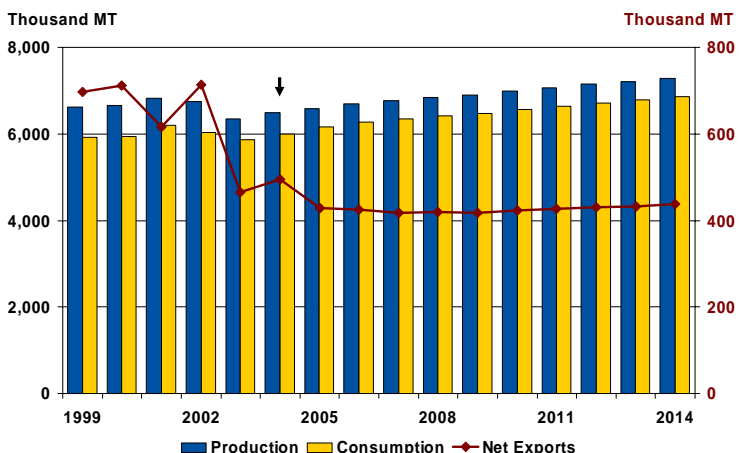
Brazil's net poultry exports grow by 3.0% in the next decade, reaching 2.9 mmt in 2014. New large investments in broiler production in the Center-West region are encouraged through fiscal incentives, subsidies from local government, and lower feed cost with proximity to feed supplies. Production increases by 3.0%, while consumption grows by only 2.7%.

Thai Broiler Supply and Utilization



Thailand's broiler sector takes three years to fully recover from the AI crisis. With expansion of integrated producers, productivity improvement (translated to lower feed conversion ratio), reduced processing costs, investment in product innovation, and a shift to higher-valued products, Thailand's net exports increase by 6.2%, reaching 665 tmt in 2014.

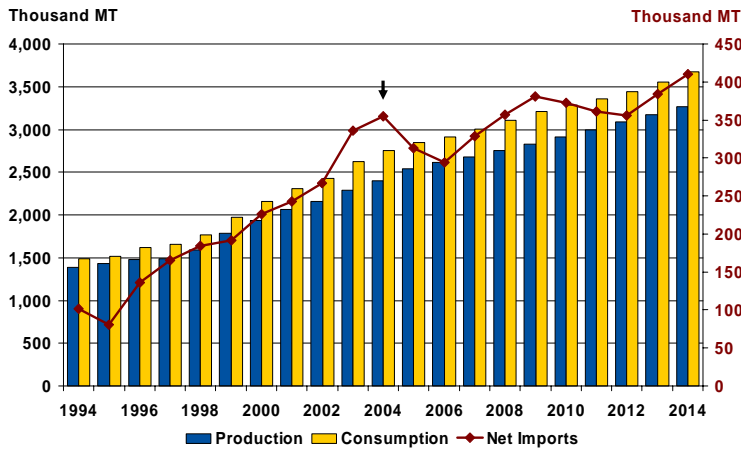
EU-15 Broiler Supply and Utilization



The EU-15's net exports are stable to slightly declining, starting at 495 tmt in 2004 and ending at 438 tmt in 2014. The EU's long-term prospects are not strong for several reasons: aggressive promotion by low-cost exporters in the EU's traditional export market destination, introduction of a new import quota by Russia, higher feed costs, animal welfare rules, and other environmental regulations.

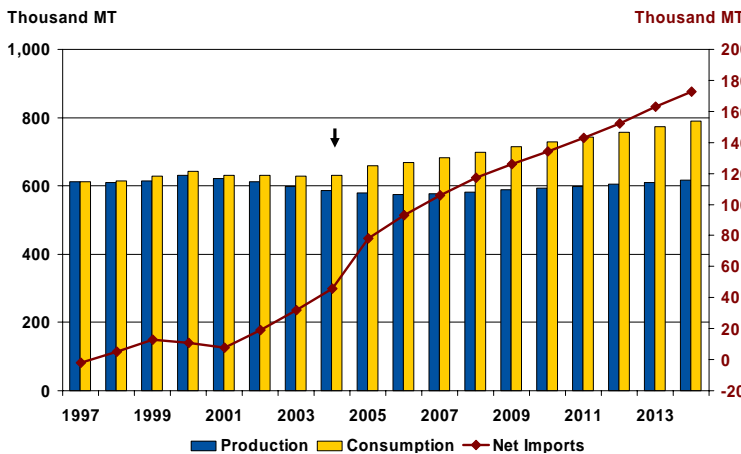
Poultry Market Access Issue

Mexican Broiler Supply and Utilization



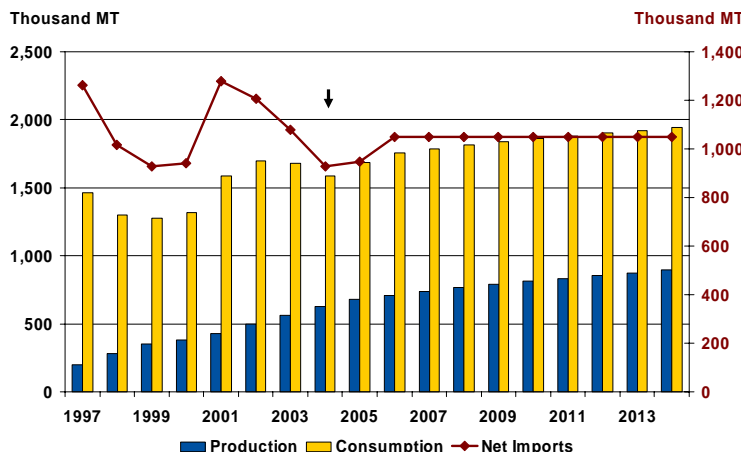
Under the NAFTA agreement, Mexico removed the global TRQ and its prohibitive out-quota rates. A new safeguard agreement was reached with the U.S., whereby a new TRQ for chicken leg quarter is imposed. The product is duty free, but out-quota is charged a 98.8% duty. The TRQ grows by 1% annually and is removed in 2008. A shortfall in domestic production is still filled by net imports, which grow by 2.1% annually and reach 410 tmt in 2014.

Taiwanese Poultry Supply and Utilization



Taiwan has a quota of 19 and 46 tmt in 2002 and 2004, respectively, for poultry. Prohibitive duties are applied for imports in excess of the quota. With WTO accession, Taiwan removes its quota and replaces it with a tariff in 2005. As a result, imports are expected to increase by 27.5% annually, reaching 173 tmt in 2014, as production growth of 0.5% is unable to meet the 2.5% consumption growth.

Russian Poultry Supply and Utilization



Russia introduces a new poultry import quota of 1.1 mmt. Nothing is allowed in excess of the quota. Net imports dropped by 10.5% in 2003 and by another 14.0% in 2004 as new rules were clarified. Imports reach the quota level of 1.1 mmt in 2006. Domestic production is encouraged and grows by 4.3%, exceeding the 2.3% growth in consumption.

Broiler Meat Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Australia	16	13	1	-5	-1	6	14	23	32	42	52
Brazil	2,255	2,399	2,413	2,454	2,507	2,580	2,647	2,714	2,777	2,854	2,925
EU New Member States	5	8	11	-1	-3	-5	-11	-17	-23	-26	-30
European Union-15	495	429	425	417	419	418	423	427	431	433	438
Thailand	255	259	439	613	667	673	677	679	678	671	665
United States	2,077	2,284	2,457	2,577	2,664	2,709	2,740	2,763	2,795	2,845	2,928
Total Net Exports *	5,103	5,393	5,746	6,055	6,252	6,381	6,489	6,589	6,690	6,819	6,978
Net Importers											
Argentina	-73	-84	-81	-72	-69	-67	-65	-62	-58	-56	-52
Bulgaria	21	19	17	19	23	27	27	26	24	27	30
Canada	60	44	51	55	55	56	57	57	58	58	59
China - Mainland	-30	59	119	184	233	270	301	332	362	391	416
China - Hong Kong	200	170	183	186	188	191	193	194	196	198	200
Egypt	5	5	6	7	7	8	8	9	9	10	11
India	0	0	0	0	0	0	0	0	0	0	0
Indonesia	0	0	28	44	47	47	49	52	56	58	61
Japan	498	653	719	794	816	838	858	877	894	911	928
Mexico	355	313	294	329	357	381	373	361	356	384	410
New Zealand	0	4	9	11	12	12	8	6	6	9	14
Other CIS †	65	63	64	65	65	63	62	60	59	57	55
Other Eastern Europe ‡	71	76	76	74	73	74	75	77	78	80	82
Philippines	10	32	51	73	89	64	63	66	72	86	100
Romania	78	78	92	102	103	105	109	114	116	113	114
Russia	929	949	1,049	1,049	1,049	1,049	1,049	1,049	1,049	1,049	1,049
Saudi Arabia	410	444	481	502	510	516	525	533	537	534	549
South Africa	95	82	45	39	51	55	53	40	24	11	10
South Korea	30	83	89	93	94	101	106	112	117	118	118
Taiwan	46	78	93	106	117	126	134	143	152	163	173
Ukraine	124	107	96	91	85	82	83	84	85	82	79
Rest of World	2,209	2,219	2,264	2,305	2,346	2,384	2,422	2,461	2,499	2,537	2,575
Total Net Imports	5,103	5,393	5,746	6,056	6,252	6,382	6,490	6,589	6,690	6,820	6,979
	(U.S. Dollars per Metric Ton)										
U.S. 12-City Price	1,634	1,478	1,392	1,360	1,352	1,348	1,351	1,352	1,355	1,357	1,364

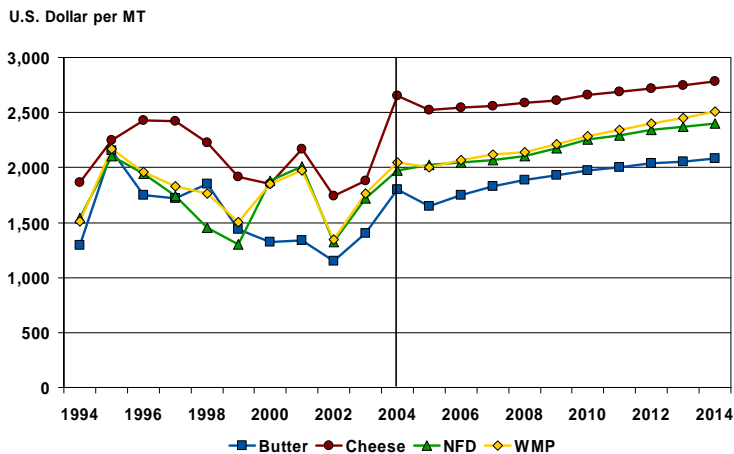
* Total net exports are the sum of all positive net exports and negative net imports.

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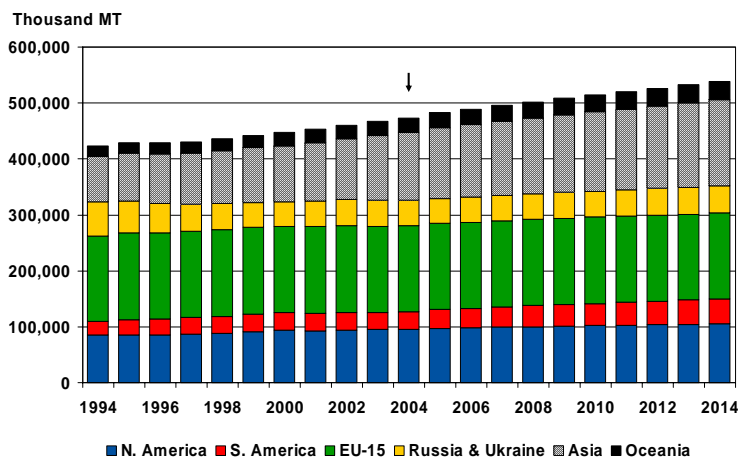
Dairy Outlook

FOB Northern European Dairy Product Prices



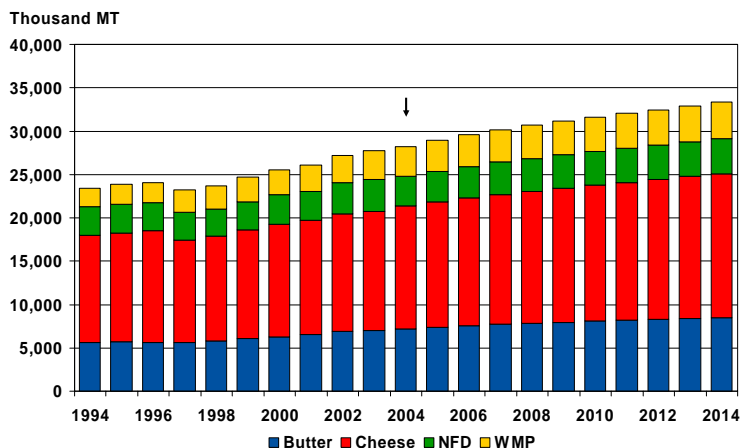
Steady demand and lower Australian exports boosted butter and cheese prices 28% and 41%, respectively, in 2004. Butter and cheese prices decrease 5% and 8%, respectively, in 2005 as Argentina, New Zealand, and Ukraine expand exports. Steady growth in import demand and gradual growth in global supplies put upward pressure on dairy prices in the long term, prompting butter, cheese, NFD, and WMP prices to rise annually by 1.5%, 0.5%, 2%, and 2%, respectively.

Milk Production for the Modeled Regions



Over the next decade, world milk production increases 14%, with most of the growth generated by gains in productivity per cow. One-third of the 66.6 mmt increase in milk production occurs in the Americas and 48% occurs in Asia, primarily in China and India. EU-15 milk production rises 949 tmt over the baseline, while milk output falls 1.54 mmt in the EU NMS.

Dairy Product Output for Modeled Countries



Total butter production increases 17.5% over the baseline, with India, Australia, and New Zealand accounting for the bulk of the growth. Total cheese production grows 17.6%, with production in the U.S., Argentina, Australia, and New Zealand increasing 1.9%, 4.3%, 3.4%, and 4.3% annually, respectively. NFD production rises 16.7%, with the greatest gains in Australia, New Zealand, Russia, and China. Excluding the EU, WMP production grows in most countries, increasing a total of 24.3%.

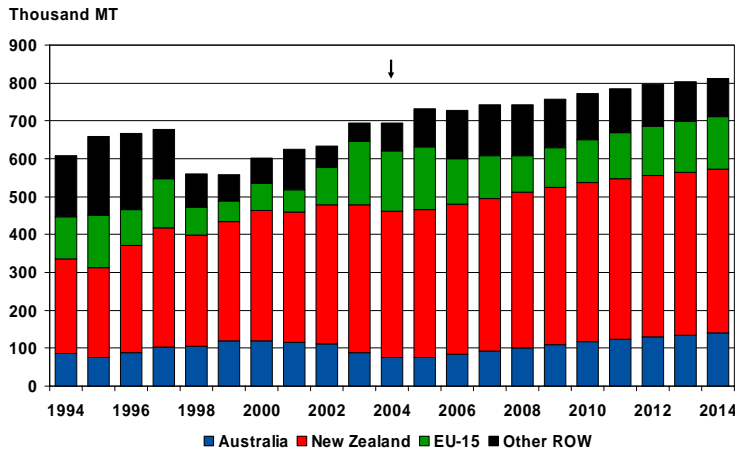
World Milk and Butter Production

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Milk Production	(Thousand Metric Tons)										
North America	95,229	97,280	98,293	99,396	100,315	101,198	101,965	102,745	103,504	104,288	105,093
United States	77,329	79,119	80,037	80,996	81,758	82,430	83,033	83,637	84,261	84,919	85,612
South America	31,850	33,405	34,706	36,012	37,282	38,584	39,817	40,997	42,140	43,313	44,469
Argentina	8,750	9,387	9,850	10,335	10,781	11,243	11,615	11,913	12,163	12,427	12,656
Brazil	23,100	24,018	24,856	25,677	26,501	27,341	28,202	29,084	29,977	30,886	31,813
Europe	153,593	153,675	153,222	153,739	154,136	154,163	153,948	153,672	153,667	153,637	153,635
EU-15	121,069	121,313	121,070	121,375	121,810	122,044	122,014	121,963	121,972	121,990	122,018
EU New Member States	21,644	21,423	21,127	21,284	21,202	20,924	20,668	20,361	20,287	20,185	20,102
Other Europe *	10,880	10,939	11,025	11,080	11,124	11,196	11,266	11,347	11,408	11,462	11,515
Russia & Ukraine	45,480	45,477	45,334	45,587	45,801	46,239	46,610	47,192	47,753	48,410	49,111
Asia	121,140	126,350	129,735	132,787	135,783	138,776	141,766	144,782	147,727	150,692	153,640
China	18,850	20,036	20,991	21,955	22,948	23,957	24,981	26,012	27,043	28,084	29,138
India	91,000	95,009	97,384	99,440	101,396	103,319	105,212	107,124	108,975	110,842	112,680
Oceania	25,657	26,621	27,470	28,246	29,014	29,737	30,422	31,073	31,711	32,346	32,973
Australia	10,439	10,598	10,950	11,334	11,773	12,195	12,609	13,018	13,426	13,835	14,247
New Zealand	15,219	16,023	16,520	16,912	17,241	17,541	17,813	18,056	18,285	18,511	18,725
Total Milk	475,547	485,508	491,524	498,602	505,234	511,665	517,564	523,557	529,656	535,901	542,194
Butter Production											
North America	725	772	782	798	805	811	814	816	819	824	826
United States	557	598	608	624	629	631	632	632	632	635	635
South America	120	125	128	131	133	136	138	139	140	142	143
Argentina	45	48	50	52	54	56	58	59	60	61	62
Brazil	75	78	78	79	79	79	80	80	81	81	81
Europe	2,263	2,256	2,261	2,279	2,285	2,293	2,297	2,301	2,307	2,316	2,325
EU-15	1,900	1,880	1,879	1,886	1,889	1,897	1,902	1,909	1,916	1,925	1,934
EU New Member States	313	323	329	339	340	340	338	335	336	336	336
Other Europe *	51	52	53	54	55	56	57	56	56	55	55
Russia & Ukraine	440	477	501	504	507	512	517	522	529	535	542
Asia	3,016	3,120	3,228	3,317	3,399	3,476	3,554	3,631	3,705	3,778	3,853
India	2,788	2,888	2,991	3,076	3,155	3,230	3,306	3,379	3,452	3,523	3,596
Oceania	540	550	565	581	598	611	623	633	643	651	659
Australia	133	134	142	150	161	169	176	182	189	195	201
New Zealand	407	416	424	431	437	442	447	451	454	456	459
Total Butter	7,220	7,416	7,584	7,731	7,850	7,962	8,069	8,169	8,273	8,377	8,481

* Other Europe includes Romania, Switzerland and Bulgaria.

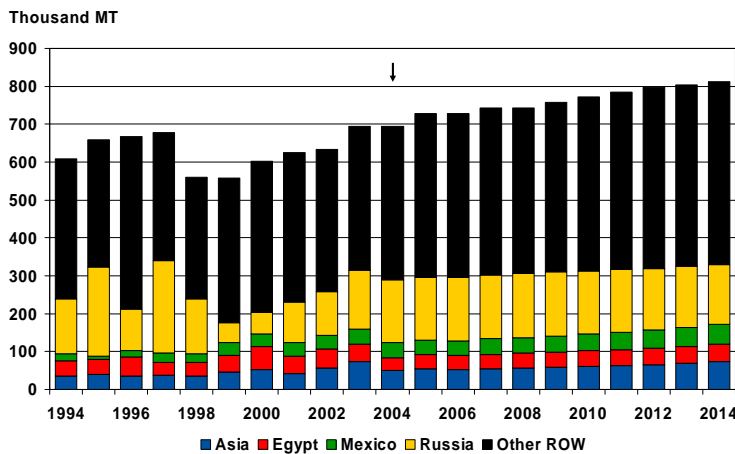
Butter Exporters and Importers

Butter Net Exports for Selected Countries



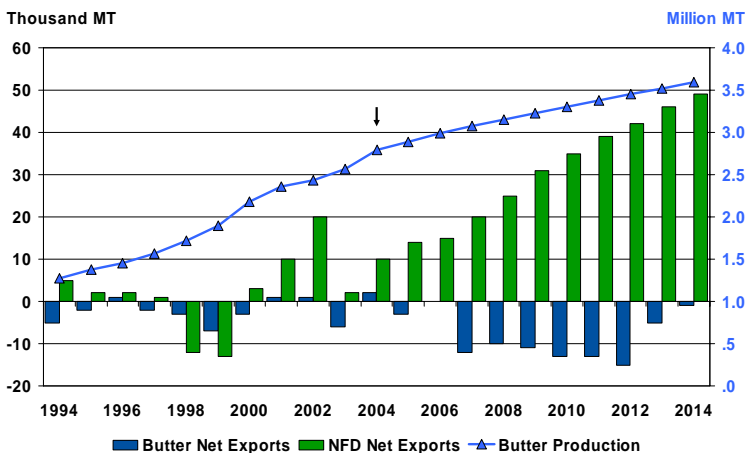
Australia, New Zealand, and the EU remain the world's largest butter exporters, supplying 90% of total butter trade in 2004. Australian and New Zealand butter exports rise an average of 6.4% and 1.1% annually. This steady growth in Australian and New Zealand butter exports compensates for the 1.2% annual decline in EU net exports. Ukraine increases its butter export by 72.5%, with most going to Russia.

Butter Net Imports for Selected Countries



Russian butter consumption began to recover in 2000, and imports reached 165 tmt in 2004. Russia's butter imports stabilize near the 2004 level in the medium run and then decrease because of increased domestic production. Egypt and Mexico increase their imports by 35% and 32%, respectively, over the baseline. Steady growth occurs in East Asia, with imports increasing 3.8% annually.

Indian Butter and NFD Production and Trade



Butter production in India increases 29% over the baseline to meet its rapidly growing domestic demand. Butter consumption outpaces production and imports peak at 15 tmt in 2012. As a by-product, India's NFD production grows 56.9%, creating excess supplies that allow NFD exports to rise 17.2% annually.

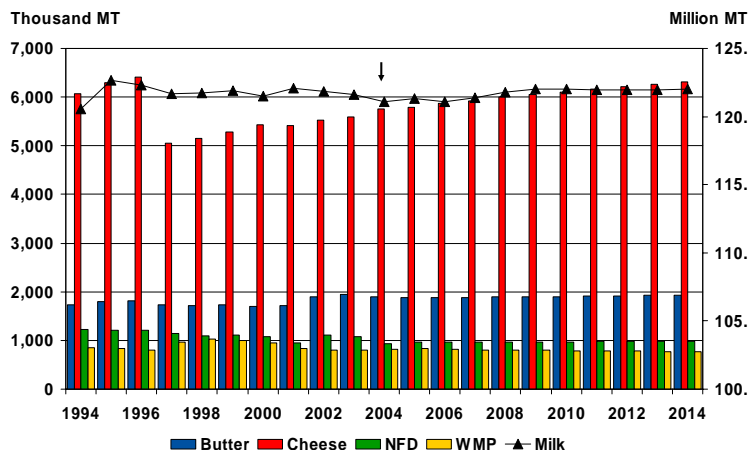
Butter Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Argentina	2	3	5	6	7	8	8	8	7	7	6
Australia	76	76	83	92	102	110	117	123	129	135	141
Canada	-6	-2	-8	-5	-6	-6	-6	-6	-6	-6	-6
EU New Member States	34	41	45	53	53	48	44	40	38	36	35
European Union-15	160	165	120	112	97	104	114	122	130	133	138
India	2	-3	0	-12	-10	-11	-13	-13	-15	-5	-1
New Zealand	385	389	397	404	410	416	421	424	427	430	432
Ukraine	35	56	76	74	72	70	69	67	65	63	60
Total Net Exports *	695	728	729	743	742	757	772	784	797	803	812
Net Importers											
Brazil	-1	-2	-2	-2	-1	-1	0	0	1	2	2
Bulgaria	1	1	1	1	1	1	1	1	1	1	1
China	13	15	14	13	14	15	16	17	17	18	19
Egypt	34	37	38	39	40	41	42	43	44	45	45
Indonesia	10	11	11	11	11	12	12	12	12	14	14
Japan	8	9	8	9	10	10	11	11	12	13	13
Malaysia	9	9	10	10	10	11	11	11	12	12	12
Mexico	40	37	38	41	41	42	44	46	48	50	53
Philippines	9	10	10	10	10	10	10	11	11	11	11
Romania	3	3	3	3	3	3	3	3	3	4	4
Russia	165	167	168	168	169	168	167	166	163	161	158
South Korea	1	1	0	1	0	1	1	1	1	2	3
Switzerland	4	4	3	2	2	1	1	1	2	3	4
United States	18	18	18	18	19	20	22	23	24	26	27
Rest of World	373	401	399	400	396	405	414	419	425	432	437
Total Net Imports	695	728	729	743	742	757	772	784	797	803	812
Price	(U.S. Dollars per Metric Ton)										
FOB Price N. Europe	1,797	1,649	1,751	1,828	1,887	1,927	1,973	2,004	2,037	2,052	2,082

* Total net exports are the sum of all positive net exports and negative net imports.

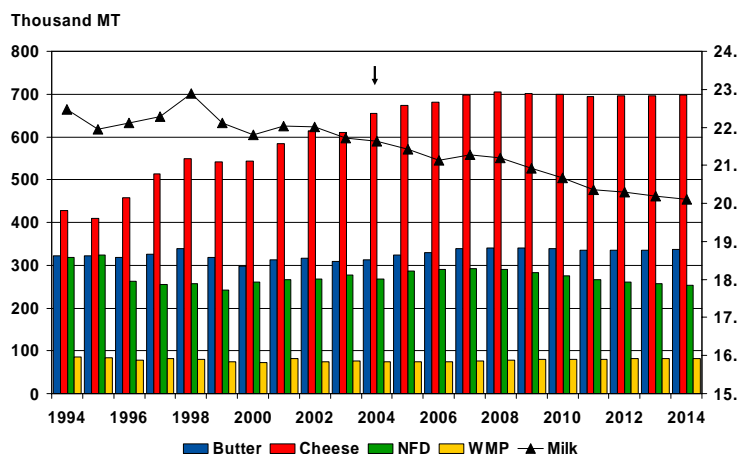
Cheese and Milk Powder Markets

EU-15 Dairy Production



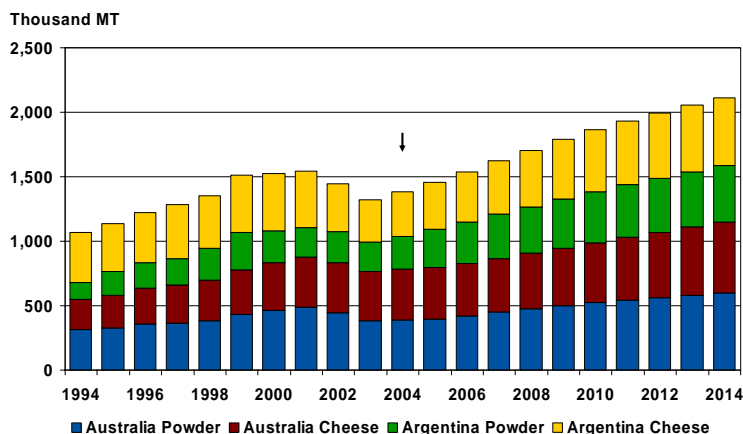
Milk production in the EU-15 averages 121.8 mmt, reflecting the fixed milk quotas. Cheese production rises 9.8%, partly because of the decrease in intervention prices for butter and NFD. Butter production decreases 1% in 2005 and production stays level until 2008. Because of increasing competitiveness and a structure change induced by CAP reform, butter and NFD production start to increase slightly, at 0.4% annually, from 2009. Cheese retains a 53% share of manufacturing milk use in the EU-15.

EU NMS Dairy Production



Milk production in the EU NMS is capped by the new quota levels. Cheese production increases 6% to meet moderate growth in domestic consumption and exports to the EU-15. Given higher returns from cheese production and a declining supply of fluid milk, some milk is diverted from NFD into cheese production. NFD production decreases about 6% over the baseline. Some NFD is exported to the EU-15 at the expense of exports outside the EU.

Australian and Argentine Cheese and Milk Powder* Production



* milk powder = NFD + WMP

Australian milk output begins to recover in 2005 with improved pasture conditions and reaches the pre-drought level in 2007. Milk production grows 3.2% annually over the long term. Given the surplus supply of milk, cheese and milk powder production increase 40% and 55%, respectively, during the projection period. Strong devaluation and firm world prices drive the recovery of the Argentine dairy sector. Argentine WMP, NFD, and cheese production increase 5.6%, 4.8%, and 4.3% annually, respectively, over the baseline.

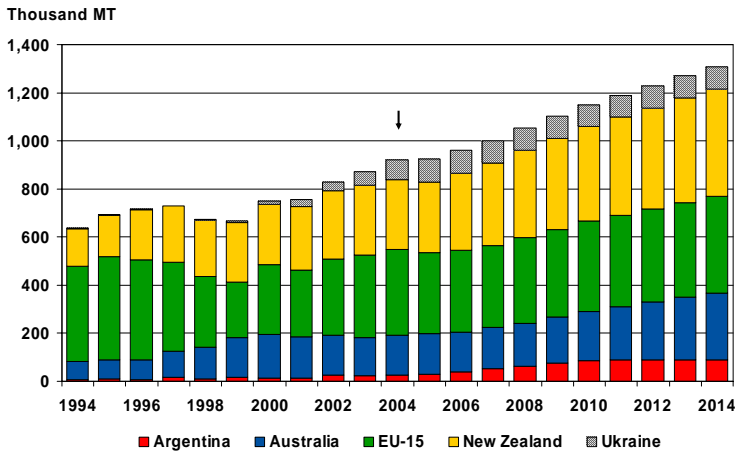
World Cheese, NFD, and WMP Production

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cheese Production	(Thousand Metric Tons)										
North America	4,469	4,605	4,703	4,791	4,877	4,963	5,049	5,132	5,211	5,286	5,367
United States	4,013	4,130	4,218	4,296	4,379	4,459	4,535	4,613	4,690	4,765	4,846
South America	815	839	883	922	956	991	1,020	1,047	1,071	1,095	1,119
Argentina	345	361	386	414	439	464	484	497	507	518	526
Europe	6,646	6,722	6,802	6,889	6,973	7,035	7,093	7,150	7,213	7,269	7,330
EU-15	5,750	5,798	5,865	5,926	5,998	6,054	6,108	6,160	6,213	6,262	6,312
EU New Member States	656	674	681	699	704	701	699	694	697	696	698
Other Europe *	241	251	256	265	270	279	286	295	303	311	319
Russia & Ukraine	530	545	554	560	567	576	584	595	605	616	628
Asia	290	294	305	306	309	312	315	320	323	328	332
Japan	35	35	35	34	32	31	30	28	27	25	24
Oceania	712	726	761	790	823	856	891	926	961	999	1,035
Australia	396	402	408	415	428	445	464	485	506	530	552
New Zealand	317	324	353	375	395	411	426	441	455	469	483
Total Cheese	14,124	14,386	14,675	14,939	15,206	15,449	15,679	15,914	16,146	16,371	16,605
NFD Production											
North America	768	822	833	856	863	864	860	854	850	852	848
United States	652	696	710	734	738	736	730	722	715	716	711
South America	145	153	162	168	172	177	181	184	186	189	191
Europe	1,234	1,291	1,293	1,300	1,298	1,297	1,292	1,284	1,281	1,280	1,278
EU-15	930	966	962	966	966	969	972	974	978	983	987
New Member States	268	286	290	293	290	284	275	266	261	257	252
Other Europe *	37	39	40	42	42	44	45	44	42	41	39
Russia & Ukraine	212	211	219	223	227	234	239	245	256	266	276
Asia	556	570	601	620	637	654	672	689	706	723	740
Oceania	508	531	553	575	598	615	630	640	650	656	663
Australia	199	200	212	226	242	253	262	269	277	282	289
New Zealand	309	331	341	349	356	363	368	371	373	374	375
Total NFD	3,424	3,578	3,660	3,742	3,796	3,840	3,874	3,896	3,929	3,966	3,997
WMP Production											
North America	109	123	127	130	133	138	138	139	139	138	138
South America	640	701	730	763	790	821	847	871	893	916	937
Argentina	220	260	278	297	312	330	343	354	362	372	380
Brazil	420	441	451	466	478	491	504	517	530	544	557
European Union	894	906	892	884	881	878	873	866	860	851	844
EU-15	820	831	817	807	802	799	793	785	779	769	761
EU New Member States	74	75	75	77	79	79	80	80	81	82	82
Russia & Ukraine	116	113	115	117	118	121	123	125	127	129	130
Asia	809	826	878	901	940	959	994	1,031	1,070	1,109	1,149
China	760	775	827	848	886	904	938	973	1,011	1,049	1,088
Oceania	877	899	926	952	969	990	1,007	1,027	1,046	1,066	1,085
Australia	187	192	207	223	236	249	261	273	286	298	310
New Zealand	690	707	719	729	733	741	746	754	760	768	775
Total WMP	3,446	3,568	3,668	3,746	3,831	3,907	3,983	4,059	4,134	4,209	4,283

* Other Europe includes Romania, Switzerland and Bulgaria.

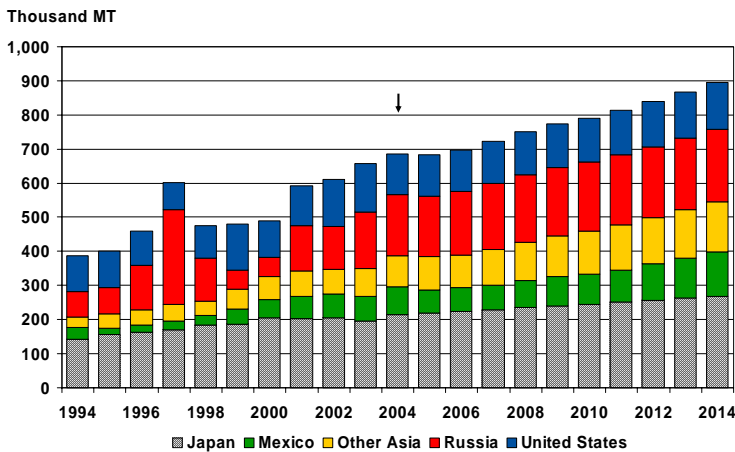
Cheese Trade

Cheese Net Exports for Selected Countries



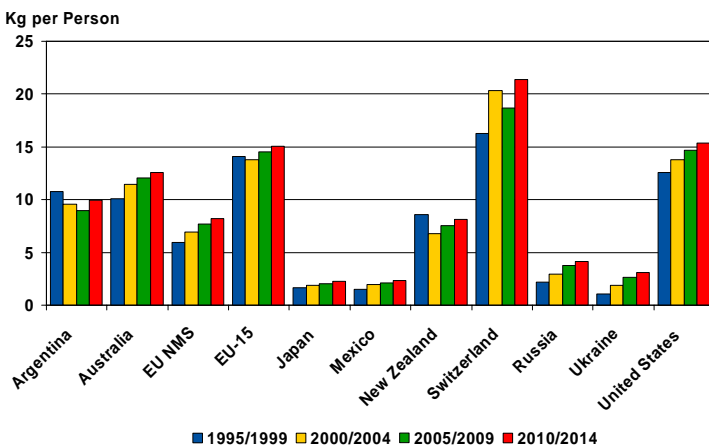
Australia, New Zealand, and the EU account for 83% of total cheese exports, and this proportion remains stable throughout the projection period. Argentina and Ukraine become increasingly important players in international cheese markets, accounting for 13% of total exports by 2014. Strong demand drives the world cheese trade to increase by 34%.

Cheese Net Imports for Selected Countries



Russia's cheese imports are mainly supplied by Ukraine. Ukrainian exports expand 17.8% over the decade. Japan's cheese imports continue to increase, by 2.2% annually. Because of economic and population growth, cheese imports of other Asian countries (China, Indonesia, Malaysia, Philippines, and South Korea) increase 4.9% annually. Mexican cheese imports rise 5.1% annually over the baseline.

Per Capita Cheese Consumption for Selected Countries



Stable growth occurs in per capita cheese consumption in most countries. Cheese consumption increases most in countries with substantial domestic production, such as the EU, Australia, New Zealand, and the U.S. Japanese and Russian per capita cheese consumption grow 1.6% and 2%, respectively, annually. All of the cheese demand increase in Japan is met by imports.

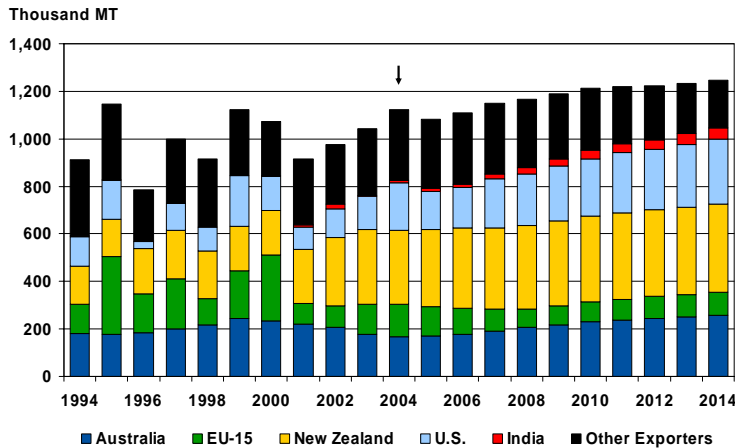
Cheese Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Argentina	27	31	40	54	64	77	85	88	89	91	89
Australia	165	166	166	169	178	191	207	223	240	259	277
Bulgaria	10	7	5	4	5	6	9	11	13	14	16
EU New Member States	108	111	117	122	121	110	101	89	84	77	71
European Union-15	355	338	337	341	355	364	373	380	388	395	402
New Zealand	291	294	323	344	364	378	393	407	420	433	446
Romania	1	0	0	-1	-1	-2	-2	-3	-3	-3	-3
Switzerland	33	39	37	40	39	41	40	40	41	41	41
Ukraine	83	95	95	93	93	91	91	91	92	92	93
Total Net Exports *	1,073	1,082	1,132	1,180	1,229	1,267	1,305	1,338	1,376	1,410	1,447
Net Importers											
Brazil	0	1	-11	-12	-10	-8	-7	-8	-9	-9	-11
Canada	12	14	22	22	22	22	22	22	22	21	21
China	19	22	18	22	25	29	32	35	38	40	42
Egypt	7	25	28	30	27	27	32	32	32	32	33
Indonesia	8	8	8	9	9	9	9	10	10	11	12
Japan	215	220	224	229	235	240	245	251	257	262	268
Malaysia	6	6	7	7	7	8	8	8	8	9	9
Mexico	80	67	69	71	79	85	88	95	106	119	132
Philippines	18	19	19	20	21	21	22	23	24	24	25
Russia	180	177	186	193	199	202	203	205	207	210	212
South Korea	40	43	44	48	50	52	54	55	57	58	59
United States	119	121	122	124	126	128	129	131	133	135	137
Rest of World	369	359	384	405	428	443	458	469	480	486	495
Total Net Imports	1,073	1,082	1,132	1,180	1,229	1,267	1,305	1,338	1,376	1,410	1,447
Price	(U.S. Dollars per Metric Ton)										
FOB Price N. Europe	2,653	2,524	2,544	2,560	2,588	2,613	2,661	2,687	2,721	2,748	2,781

* Total net exports are the sum of all positive net exports and negative net imports.

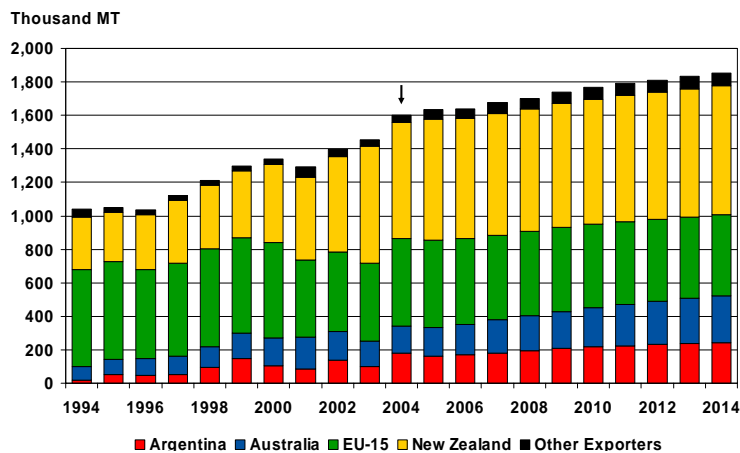
Milk Powder Trade

NFD Net Exports for Selected Countries



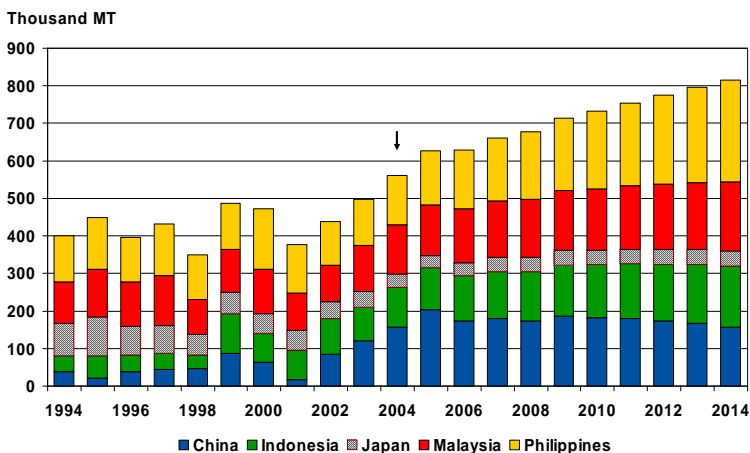
Australia, New Zealand, the EU, and the U.S. captured about 87% of the NFD export market in 2004, and they keep their market shares over the baseline. NFD exports from Australia and New Zealand grow an average of 4.3% and 1.7% annually, while NFD exports from the EU decline in the first half of the baseline. Mexican NFD imports are strong, averaging 179 tmt over the projection period.

WMP Net Exports for Selected Countries



WMP trade grows 14% over the baseline. While EU-15 WMP exports decrease by 7.4%, Australia, New Zealand, and Argentina expand their exports, respectively, by 5.5%, 1.1%, and 3.1% annually. Higher milk production driven by some favorable investment credit programs and government policies and a favorable exchange rate change Brazil from a WMP importer to a net exporter.

East Asian Milk Powder Imports



Southeast Asia (Indonesia, Malaysia, and Philippines) increases its share of total NFD imports from 23% in 2004 to 34% in 2014. China and Japan account for about 9% of the NFD import market by the end of the baseline. Together, these five countries generate virtually all of the growth in NFD trade. Southeast Asian WMP imports rise 4.4% annually throughout the projection period. Chinese WMP imports decline over the long term, as domestic WMP production expands and as consumers substitute fluid milk for reconstituted milk powder.

Nonfat Dry Milk Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Argentina	16	19	23	25	27	29	30	31	31	31	31
Australia	169	169	176	189	206	218	229	237	245	251	258
Bulgaria	-6	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
Canada	42	44	44	44	44	44	43	42	41	41	40
EU New Member States	171	152	155	156	149	141	131	119	112	106	99
European Union-15	135	124	112	94	80	80	85	88	91	94	97
India	10	14	15	20	25	31	35	39	42	46	49
New Zealand	310	326	335	343	351	357	362	365	367	368	369
Switzerland	13	14	15	15	15	16	16	13	11	9	6
Ukraine	64	74	77	76	75	74	74	74	73	73	72
United States	202	160	172	206	217	228	240	251	251	262	274
Total Net Exports *	1,132	1,108	1,126	1,171	1,192	1,221	1,248	1,260	1,266	1,280	1,294
Net Importers											
Brazil	4	1	-2	-3	-3	-2	-3	-2	0	1	3
China	67	68	67	68	71	72	73	75	76	78	80
Egypt	17	19	19	20	20	21	21	22	22	23	23
Indonesia	87	90	95	99	103	106	110	114	118	122	126
Japan	36	33	35	38	39	39	39	39	40	40	40
Malaysia	47	49	54	56	58	59	61	62	64	65	67
Mexico	170	170	170	176	177	177	178	181	183	186	190
Philippines	120	130	140	151	162	174	186	200	215	231	248
Romania	1	2	2	2	2	1	0	0	0	1	0
Russia	45	45	45	44	42	38	35	32	24	18	11
South Korea	4	1	0	0	1	0	1	1	1	1	1
Rest of World	528	498	495	515	515	531	541	532	522	513	503
Total Net Imports	1,132	1,108	1,126	1,171	1,192	1,221	1,248	1,260	1,266	1,280	1,294
Price	(U.S. Dollars per Metric Ton)										
FOB Price N. Europe	1,976	2,023	2,045	2,064	2,104	2,178	2,259	2,292	2,340	2,372	2,403

* Total net exports are the sum of all positive net exports and negative net imports.

Whole Milk Powder Trade

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Exporters	(Thousand Metric Tons)										
Argentina	179	163	171	182	194	207	217	225	231	237	242
Australia	165	168	181	196	209	222	233	246	257	269	281
Canada	-11	-8	-11	-11	-11	-11	-11	-11	-10	-10	-10
EU New Member States	31	34	34	35	35	35	35	34	34	33	33
European Union-15	520	526	513	505	502	502	500	495	492	486	481
New Zealand	694	720	719	729	732	740	746	753	759	767	774
Ukraine	13	15	14	14	14	14	13	13	13	13	13
Total Net Exports *	1,601	1,635	1,638	1,676	1,700	1,738	1,766	1,790	1,812	1,832	1,851
Net Importers											
Brazil	8	-9	-7	-15	-14	-18	-22	-24	-26	-27	-27
Bulgaria	2	2	2	2	2	2	2	2	2	2	2
China	89	134	106	111	102	114	110	105	97	89	77
Egypt	5	5	6	6	6	6	7	7	7	8	8
Indonesia	20	22	25	27	28	29	30	32	33	35	36
Malaysia	83	86	89	93	96	100	103	106	110	113	117
Mexico	33	29	25	25	25	23	25	27	30	34	37
Philippines	13	13	16	17	18	19	20	21	22	23	24
Romania	3	3	3	3	3	3	3	3	3	3	3
Russia	19	16	17	17	17	16	16	16	16	16	17
South Korea	2	0	0	0	1	1	1	1	1	1	1
Rest of World	1,314	1,314	1,339	1,364	1,390	1,414	1,439	1,459	1,481	1,499	1,519
Total Net Imports	1,601	1,635	1,638	1,676	1,700	1,738	1,766	1,790	1,812	1,832	1,851
Price	(U.S. Dollars per Metric Ton)										
FOB Price N. Europe	2,047	1,999	2,065	2,118	2,139	2,214	2,285	2,339	2,401	2,454	2,510

* Total net exports are the sum of all positive net exports and negative net imports.

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