

**OECD
AGRICULTURAL
OUTLOOK, 2003 - 2008**

HIGHLIGHTS, 2003

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Pursuant to Article 1 of the Convention signed in Paris on 14th December 1960, and which came into force on 30th September 1961, the Organisation for Economic Co-operation and Development (OECD) shall promote policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development, and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The original Member countries of the OECD are Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The following countries became Members subsequently through accession at the dates indicated hereafter: Japan (28th April 1964), Finland (28th January 1969), Australia (7th June 1971), New Zealand (29th May 1973) Mexico (18th May 1994), the Czech Republic (21st December 1995), Hungary (7th May 1996), Poland (22nd November 1996), Korea (12th December 1996) and the Slovak Republic (14th December 2000). The Commission of the European Communities takes part in the work of the OECD (Article 13 of the OECD Convention).

Publié en français sous le titre :
Perspectives agricoles de l'OCDE 2003-2008

© OECD 2003

Permission to reproduce a portion of this work for non-commercial purposes or classroom use should be obtained through the Centre français d'exploitation du droit de copie (CFC), 20, rue des Grands-Augustins, 75006 Paris, France, Tel. (33 1) 44 07 47 70, Fax (33 1) 46 34 67 19, for every country except the United States. In the United States permission should be obtained through the Copyright Clearance Center, Customer Service, (508) 750-8400, 222 Rosewood Drive, Danvers, MA 01923 USA, or CCC Online: www.copyright.com. All other applications for permission to reproduce or translate all or part of this book should be made to OECD Publications, 2, rue André-Pascal, 75775 Paris Cedex 16, France.

FOREWORD

The OECD *Agricultural Outlook* provides a medium term assessment of future trends and prospects in the major agricultural commodity markets, including sugar on this occasion, of OECD countries. The report is published annually, as part of a continuing effort to promote informed discussion of emerging policy issues. This ninth edition of the OECD *Agricultural Outlook, 2003-2008*, is set against the background of continued weak global economic activity at the beginning of the Outlook period, as well as a new US Farm Act, prospective changes in EU farm policy and the planned finalisation of multilateral trade negotiations under the Doha Development Agenda in 2005. The Outlook for agricultural commodity markets shows diverging trends for crop and livestock markets in the short term but a gradual strengthening in market conditions for all commodities over the period to 2008. But these outcomes are highly conditional on the geopolitical and global economic situation, on the evolution of domestic policies and policy settings, particularly in OECD countries, on the outcome of current multilateral trade negotiations in the WTO and, on future developments in regional and preferential trade arrangements. These developments have not been anticipated in this report.

The projections to 2008, presented in the Outlook, constitute a plausible medium-term future for the markets of key commodities. They are the result of close co-operation between the OECD Secretariat and experts in Member countries, and some Non-Member Economies (NMES), and hence reflect their combined knowledge and expertise. This year's report also includes a set of sugar market projections, established with a newly developed stand-alone sugar model that may be included in the Secretariat's *Aglink* model in the future. The commodity projections are based on a number of assumptions relating to current or announced agricultural and trade policies in OECD countries, the underlying macro-economic environment and its expected evolution, as well as developments in major NMEs. The OECD's *Aglink* model is used to guarantee internal consistency in the projections. The model is also used to generate scenarios around the Outlook baseline so that sources of uncertainty in relation to key assumptions and selected policy issues can be analysed. Thus, the report includes – *inter alia* – an assessment of the market impacts of the US Farm Security and Rural Investment Act of 2002, an evaluation of the implications for commodity markets of the economic crisis in Argentina and two separate analyses of how China's WTO accession may affect sugar and meat markets. It also presents results of ongoing work on the introduction of stochastic elements in the baseline generation through a sensitivity analysis of yield variability. Finally, the report includes two background sections where issues of importance for the medium term outlook are discussed. The first one, contributed by the European Commission, provides an assessment of the likely implications for agricultural markets of the EU enlargement to 25 Member States on 1 May 2004. The second special focus section discusses the main driving forces in Ukraine's future agriculture and trade development. The fully documented outlook database, including historical data, projections and selected scenario results, is available on CD-Rom.

This publication is prepared by the Directorate for Food, Agriculture and Fisheries of the OECD with the active participation of all Member countries. The policy assessments provided in this report is supported and extended by another annual report prepared by the Directorate: *Agricultural Policies in OECD Countries: Monitoring and Evaluation 2003* (July 2003).

The OECD *Agricultural Outlook* is published under the responsibility of the Secretary-General of the OECD. The views expressed and conclusions reached in this report do not necessarily correspond to those of the governments of OECD Member countries.

TABLE OF CONTENTS

The Outlook in Brief 5

Overview 6

Annexes

Annex 1. Statistical Tables 16

Acronyms and abbreviations 35

THE OUTLOOK IN BRIEF

World production of agricultural products is projected to continue to expand over the period to 2008 with the mix of outputs shifting towards a larger share of livestock products and feedstuffs and a lower share of food grains. Continued productivity increases will account for the largest share of production growth. Most of the additional production of agricultural products over the Outlook will take place in Non-Member Economies (NMEs). However, their food consumption will grow even faster and will provide opportunities for increased production and trade with OECD countries, particularly for higher value processed products and feedstuffs.

An expected rebound in OECD economic growth and revival of the world economy from 2004 onwards, supported by continuing, albeit slowing, population growth in NMEs leads to an increase in global demand for agricultural products. Much of the growth in world demand is expected to be reflected in increased consumption of coarse grains and oilseeds, with a shift away from wheat and rice based staple foods towards more processed food and higher protein products such as meats. The shift in consumption patterns is due mainly to higher per capita incomes and dietary changes in NMEs with only slow growth in food demand expected in mature OECD markets.

Drought induced production adjustments and low demand lead to some divergence between cereal and livestock product prices at the beginning of the Outlook. As production rebounds, cereal and oilseed prices fall, improving the profitability of livestock sectors. Higher demand growth with the revival of the world economy leads to rising agricultural product prices over the medium term. Increasing crop and livestock product supplies over the Outlook period, and some rebuilding of global stocks, moderate the extent and pace of future price increases for most commodities.

Trade in bulk and processed food products will continue to expand. The highest growth in net trade of OECD countries will be for cereals, followed by dairy products, when compared to the average volumes for 1997-2001. Some slowdown in OECD meat exports is expected due to faster internal consumption and intra-OECD trade, as well as increased competition in international markets.

High farm support and protection in the OECD area and trade restrictions in a number of NMEs, continue to have a major impact on international agricultural markets. The pace of agricultural reform for particular commodities continues to be mixed, proceeding for some products and in some countries, but having slowed or halted for others. Further improvement in market orientation and lower market protection would improve the functioning of world commodity markets and the prospects for most participants. The WTO negotiations underway on agricultural trade offer an opportunity to pursue these goals. However, success in reaching an agreement acceptable to all participants and one which promotes a more liberal trading environment will require continued international cooperation and leadership by OECD countries.

OVERVIEW

Outlook at a glance

Price trends for crop and livestock markets diverge in the short term....

The latest set of medium term projections for OECD Agriculture to 2008 suggest divergent market prospects for the crop and livestock sectors in the near term. Reduced global crop supplies as a result of droughts in North America and Australia and some rundown of world stocks, have led to sharply higher cereal and oilseed prices at the start of the Outlook. These prices are expected to decline initially as production rebounds and then firm slowly over the period to 2008, with strengthening demand. Rice is the exception with world prices currently below trend, but these should increase substantially over the medium term in line with a decline in stocks. Increasing sugar supplies and exports from low cost producers as well as continuing high support and protection in many OECD countries, imply that sugar prices on the residual world market will remain low in the medium term. In contrast to the situation of cereals and oilseeds, world markets for many livestock products are subdued in the near term as a result of increased production induced by droughts, lower demand and higher feed prices. World prices for most meats and dairy products are expected to rise over the Outlook to above near term levels as production adjusts and demand strengthens. But increased supplies due to higher productivity are expected to moderate the extent of price increases. Anticipated higher economic growth from 2004 onwards in the OECD area and particularly the developing countries with their faster growing populations, leads to stronger demand and provides the foundation for increased consumption, trade and world prices for many agricultural products.

....but all commodity markets strengthen in the medium term.

The geopolitical and economic situation remain major sources of uncertainty

There are clearly uncertainties in relation to the Outlook for agricultural markets. The most crucial in the short term is the impact of current geopolitical developments on overall economic prospects that are not very positive. With weak growth in Europe and Japan, the momentum for recovery in the OECD area is increasingly reliant on the performance of the US economy. However, a growing US federal budget deficit could delay or dampen OECD economic recovery, and the expected revival of the world economy. A renewed effort to ease trade tensions and improve international co-operation between the major trading countries is now required, so that progress towards a more liberal world economy can be made. A longer period of global economic downturn with continuing levels of trade distorting support and protection to agriculture will mean lower trade and world commodity prices than is currently anticipated.

Main features of the Outlook

Sluggish growth in OECD economies delays revival of world economy

OECD agricultural projections illustrate how global and domestic forces are shaping the agricultural sector. Forces at the global level are led by the assumption of an unfavourable macro-economic environment in the short term that becomes more favourable over time. The world economy is

currently mired in the aftermath of a burst stock market bubble, external imbalances and weak demand in Japan and the euro-zone. As a result, a third successive year of low global growth is likely to be posted in 2003. Many countries in the OECD area remain stuck in below trend growth. Sluggish growth in the near term is partly related to geopolitical uncertainties created by the Iraqi conflict. In contrast to the protracted period of low growth in the major OECD countries, the economic performance of a number of developing countries has remained relatively robust. This is particularly the case in Asia, although the severe acute respiratory syndrome (SARS) outbreak is starting to have some adverse effects on economic activity, growth and trade in this region.

But headwinds holding back OECD growth are abating...

...with stronger growth world-wide from 2004

There are indications, however, that the headwinds holding back OECD recovery have abated somewhat in the early months of 2003 as financial conditions have improved and oil prices ease down. Provided current difficulties can be overcome, better performance by the United States economy will be the main engine helping to lift OECD area activity, as economic growth is expected to be modest in the euro-zone and to fall in Japan. Looking further ahead, the OECD area is projected to grow at rates comparable to the 1990s over the remainder of the Outlook period. Many developing countries of Asia and Latin America are expected to record stronger growth over the medium term as well. Economic growth in these countries is projected to average above a strong 4.5% per annum over the medium term. Exchange rate movements will be another important element affecting the performance of agricultural sectors of OECD countries, by influencing competition in trade and the volumes of agricultural products moving across borders. Weakening exchange rates will also intensify competition from agricultural powerhouses in the developing world such as Brazil and Argentina. Box 2 in the Cereal chapter entitled “*Argentina: Market implications of the economic crisis*”, examines how Argentinean agriculture is expected to respond to the economic difficulties and currency depreciation that are affecting the country. This limited analysis suggests some refocus of agricultural activity towards the crop sector and exports and away from livestock production, following the massive currency devaluation.

Growing populations and incomes change diets and lift food demand in developing countries

...while food demand slows in “mature” OECD markets

Rising incomes and on-going migration of rural populations to large urban centres in developing countries, often lead consumers in these countries to diversify their diets, away from cereals and staple foods, to include more animal-based proteins, fruits and vegetables and processed food products. In addition to improved economic performance, high, although slowing, population growth rates that remain nearly double those of the OECD area are another factor contributing to increased food demand in developing countries. In contrast, food demand in many OECD countries is reaching saturation levels and is expected to show only the slow growth associated with mature markets. Slowing global population growth over the projection period and mature markets in many OECD countries have several implications for agricultural markets. First, developing countries will become more important in driving the growth of international demand for agricultural products. And second, the dominant position of population growth in explaining increased food use will gradually recede in favour of

rising per capita incomes in determining demand for agricultural products. These shifts in consumption patterns and demand taking place in developing countries lay the foundation for increased imports of food and feedstuffs and higher prices for many agricultural products. Box 1 entitled “*Sensitivity analysis: effects of changes in economic growth*” in the Economics and Policy Assumptions chapter examines the effects of economic growth in OECD and some NMEs on world commodity prices and consumption. This suggest larger adjustments in prices and consumption, in general, for livestock products and feed inputs where demand is more responsive, either directly or indirectly, to income changes.

Cereal and oilseed prices to decline in near term

World prices for wheat, coarse grains and oilseeds are projected to decline sharply in 2003 as production rebounds from drought reduced levels in North America and Australia. Thereafter, prices should rise only gradually together with growth in production and some rebuilding of stocks, particularly in the main exporting countries. The situation for rice is different from the other cereals. Large stocks overhanging the market, particularly in China, have kept prices under pressure despite consecutive years during which global consumption exceeded production. As a result, world rice prices are expected to rise strongly over the medium term in nominal (and real) terms as global stocks are drawn down further. World cereal prices in real terms have been on a long term downward trend with short price spikes occurring periodically in reflection mainly of crop shortfalls in major producing or trading countries. These price spikes are followed by the re-establishment of the downward trend as production recovers. This trend in commodity prices reflects improvements in yields or more generally gains in productivity. Cereal productivity improvements are expected to continue over the projection period and mainly account for the projected increases in world wheat and coarse grains production, of around 15%, from 2002 to 2008.

Expanding livestock industries to increase feed demands

The main driver for cereal demand is expected to come from increased feed use of grains and oilseeds by expanding livestock sectors, particularly in the developing world where diets change in favour of higher value-added and processed foods, such as meat and dairy products. As a result, cereal and oilseed consumption should expand in the developing countries as livestock production increases. Wheat and coarse grain use for feed in NMEs is projected to grow by around 19% from 2002 to 2008. While food consumption of wheat and coarse grains is virtually stagnant in OECD countries, disappearance in the NMEs, which account for about two-thirds of global consumption, is projected to increase at slightly faster than the population growth rate. World oilseeds consumption is projected to increase by 17% to 288 million tonnes by 2008, with the fastest growth taking place in the NMEs. These countries will be responsible for the bulk of the growth in vegetable oil consumption as well.

Low world sugar prices expected over medium term

Changes in the structure of the world sugar market suggest little respite from historically low world sugar prices and price volatility over the medium term. Brazil has emerged as the leading low cost producer, with a competitive sugar industry about the same size as the tonnage currently traded on world markets. The impact of low production costs is further

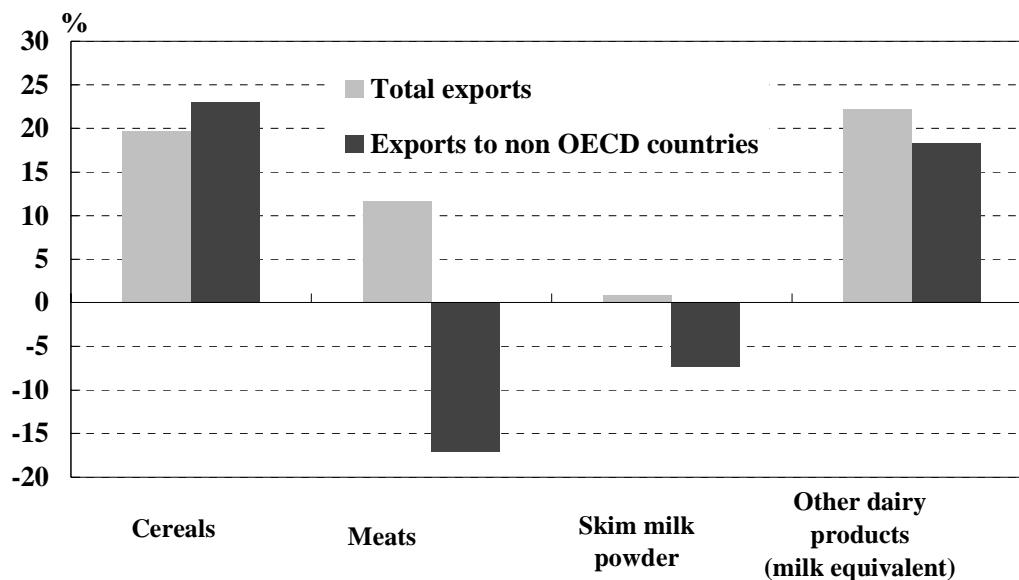
enhanced by a weak Real exchange rate, contributing to a rising wave of low-cost export supplies from Brazil over the medium term. At the same time, the world sugar market continues to be affected by a wide range of domestic and trade policies in many countries. Brazil's ethanol programme, for example, can have a large impact on the final allocation of sugarcane supplies and, thus, on world sugar price determination. In the OECD area, some of these policies contribute to export supplies which would not have existed in their absence; others lead to trade restrictions, limiting the size of world markets and exacerbating price volatility. Furthermore, some Member countries' trade policies give guaranteed access to high priced OECD markets for some of the poorest developing countries. The developing countries hold the key to continuing consumption growth, and its ability over time to improve the balance between supply and demand, by eating into the large stocks of sugar that overhang the world market. However, per capita consumption varies widely between countries, even in the developing world. China provides an example of a country with apparent scope to increase per capita consumption and imports as incomes improve, although other factors, such as the availability of artificial sweeteners and the large continuing role of government in import decisions, need to be considered, as illustrated in Box 4 in the Sugar Chapter entitled, "*China: a white knight for the world sugar market?*".

Meat markets to gradually strengthen

World markets for many meats are relatively subdued at the beginning of the projection period. This reflects adjustment on the part of producers to lower returns from increased meat supplies due to drought induced slaughter in several countries, lower demand and higher feed prices. The droughts in North America and Australia have led to a significant increase in cattle turnoff and higher beef and veal production. Once these droughts break, cattle prices are expected to increase as producers withhold stock to rebuild herds leading to lower beef production in 2003. Beef and veal prices are projected to rise in following years to at least 2006, as demand strengthens and the profitability of cattle production improves with only moderate increases in feed prices. Limited increases in cereal and oilseed prices also improve the profitability of pork and poultry production. Further productivity growth is expected to moderate the extent and pace of price rises for these two meats. Consumer preferences in OECD countries are expected to continue to favour the consumption of white over red meats, as reflected in a rising share of consumption expenditure on poultry meat and declining expenditure shares for beef in particular. Meat consumption per capita is projected to increase in the NMEs with faster economic growth as the Outlook proceeds. China provides an example of a potentially larger market and Box 6 entitled, "*Impacts of China's WTO accession on meat markets*" is included in the Meat Chapter. This analysis suggests that accession to the WTO is not expected to induce significant changes in the volume of Chinese meat imports or world meat prices. World prices for most meats are expected to be well above 2002 levels by the close of the Outlook period, as demand increases with faster economic growth (see Figure 2).

Figure 1. OECD exports

(2008 compared to 1997-2001 averages)



Source: OECD Secretariat

But only modest increases in world dairy product prices

World dairy product prices should increase in the beginning of the Outlook in response mainly to lower supplies in Oceania. A recovery in milk production in this region will likely slow the pace of further price increases. Increasing global supplies of milk, due to higher productivity, and slower growth in world demand also act to limit price rises for dairy products over the medium term. The largest increase in milk production is expected to take place in the NMEs and those OECD countries not subject to production quotas. OECD area demand for dairy products is likely to increase only modestly, even with a return to higher projected income growth. In terms of the individual product categories, consumption in the OECD area is expected to increase for whole milk powder and cheese, to be flat for butter and to decline for skim milk powder.

Trade in some commodities driven by the developing countries...

The changing demand and supply conditions in NMEs provide scope for an expansion in OECD exports to these destinations for some products as well as increased competition for others. A number of countries in the non-OECD region have emerged as significant exporters in recent years. Ukraine is an example of an exporter which is having an increasing impact on cereal markets. The prospects for Ukraine agriculture are reviewed in a special section of this Agricultural Outlook report entitled, “*The main driving forces in Ukraine’s future agricultural and trade development*”. This discussion suggests that Ukraine will consolidate its position as a net exporter of cereals over the medium term, although rainfall could be a

limiting factor in some years. Furthermore, that Ukraine is likely to remain a net exporter of beef a small net importer of poultry and to switch to a small net exporter of pig meat with improved feed efficiency in coming years.

...OECD exports led by cereals....

In terms of OECD trade changes, a comparison with average results for the period 1997-2001 reveals that the highest growth in net trade is projected for cereals, particularly coarse grains which may expand by 45% by 2008 (see Figure 1). Wheat trade for food and feed purposes is projected to increase by nearly 12%. The OECD as a whole, experiences an increasing deficit with respect to oilseeds and oilseed meals with growing net imports from NMEs by 2008. At the same time, there continues to be a shift to more trade in processed foods and high value products, primarily exported by OECD countries. A prominent example is provided by dairy products, particularly exports of whole milk powder and butter, which rise by over 20% and, to a lesser extent, cheese exports by 2008. In contrast, net exports of meat products to NMEs are lower at the close of the Outlook than the average volume of shipments for the period 1997-2001. This reflects a combination of slower growth in OECD meat production, higher growth in domestic consumption (notably with a recovery in BSE affected beef demand in the European Union), and more intra-OECD trade. Increased trade between OECD Member countries for the different meats, particularly for high value products, takes precedence over shipments to the NMEs, where competition from other suppliers is expected to intensify.

...and with increased exports of higher value processed products a well

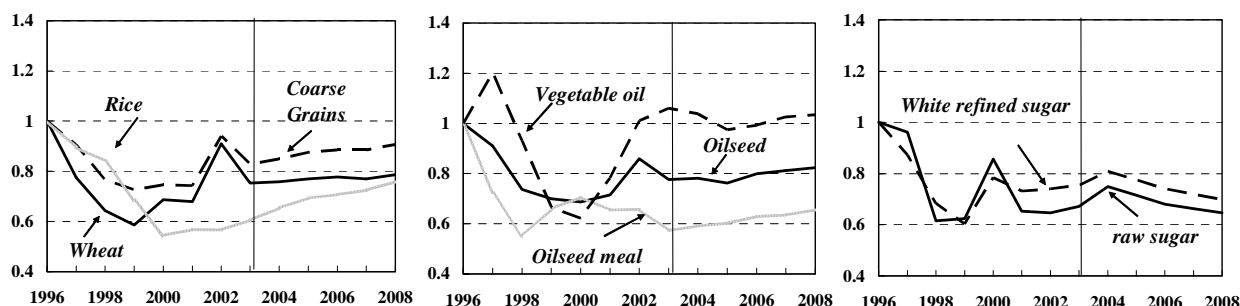
Policy settings have a major impact on markets

Support and protection of OECD agriculture remains high...

Current policy settings in OECD countries, and their slow evolution, are a major factor contributing to market outcomes over the medium term. While some OECD countries have reduced support to agriculture, others have increased it and in the majority of countries and for particular commodities, support levels remain very high. In addition, most of the support continues to be provided in ways that stimulate production and distort trade, although some countries are moving in the direction of providing support that is less distorting. Government intervention in domestic markets have encouraged higher production by making payments to farmers that are well above ruling world prices, while trade policies have insulated them from world price signals. This means that market shocks take more time to work their way through the system as producers in many OECD countries do not, or only partly, react to world market developments or the actions they provoke.

Figure 2. Outlook for world prices to 2008

(Index of nominal prices, 1996=1)



Source: OECD Secretariat

...and the USA, EU and Japan have the most impact.

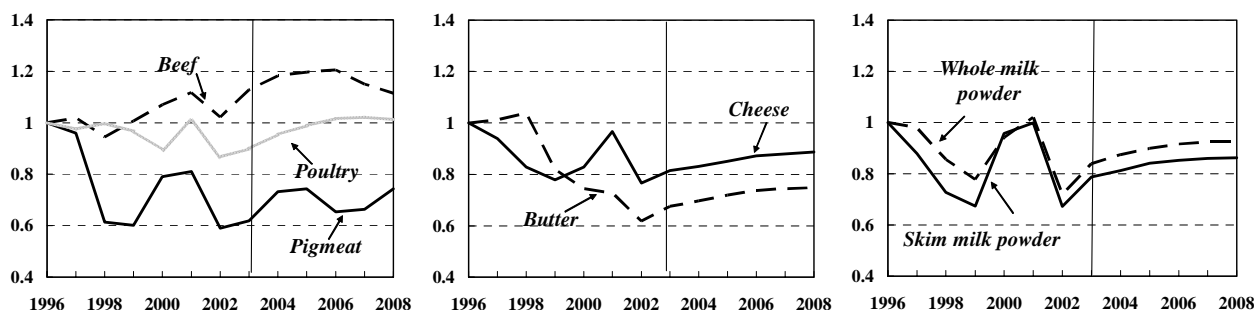
Within the OECD area, government support and protection policies of the United States, the European Union and Japan, due to their sheer size as major agricultural producers and/or traders can have a significant impact on the medium term outlook for agricultural markets.

New farm legislation in the USA increases support and its commodity coverage,...

In the **United States**, a new six year farm bill known as the Farm Security and Rural Investment Act of 2002-2007 was signed into law in May 2002. Under the new Act an increase in expenditure authority, above the former FAIR Act of 1996 initial allocation, was provided of USD 73.4 billion over a 10 year period, with much of the additional payments directed towards increased coverage of the crop sector within commodity programmes. Under these commodity programmes, additional funding is available for counter-cyclical payments, additional direct payments and marketing loan assistance programmes. Country of origin labelling is to be introduced. Box 7 in the Meat Chapter entitled, "*Country of origin labelling for meat products*" describes the new country of origin labelling programme (CoOL). This is expected to improve information for consumers but it is uncertain whether there will be additional health and food safety benefits. A tariff rate quota, marketing allotments and non-recourse loans continue to support and protect US sugar production at prices double world levels. Milk and dairy products are supported by minimum prices, government purchases, marketing payments, border measures and export subsidies.

Figure 2. (cont'd) Outlook for world prices to 2008

(Index of nominal prices, 1996 = 1)



Source: OECD Secretariat

...estimated world price impacts are relatively small when compared to the FAIR Act, but are highly dependent on world market conditions

An analysis of the impact of commodity programmes of the FSRI Act on world markets is included in Box 3 entitled “Market Implications of the 2002 United States’ FSRI Act” in the Cereals Chapter. This analysis, which compares the new Act with what would have happened under a continuation of the former FAIR Act’s programmes and provisions, suggests that the legislation leads to greater support particularly for grains, and to an increase in the area under the Conservation Reserve Program. In total, the FSRI Act results in a slightly smaller area harvested. The impact on average world prices of cereals and oilseeds under the projected market conditions are relatively small at between -1% for coarse grains and +1% for oilseeds compared to world price levels that would have occurred with a continuation of the FAIR Act provisions. The magnitude of the impacts depends importantly on the constellation of world price projections, with lower world prices giving a larger effect for grains, and lower world prices a smaller impact for oilseeds.

EU policy reform has moved towards more market orientation...

Policy reforms over the last decade have put in motion a change in the way support is provided in some sectors in the direction of less distorting policies. Thus, high support prices for cereal and oilseed producers have been reduced over the last decade under a series of CAP reforms, while direct payments have been introduced towards providing compensation of farmers for price cuts and mandatory set-aside. Border measures were also lowered to give increased market access, but recently new TRQs have been introduced that restrict market access for some cereals. For sugar producers, the major change has been a reduction in production quotas to meet export subsidy limit commitments from the URAA, while the high support price has remained unchanged in nominal terms for many years. Some changes to the EU dairy programme which go beyond those agreed under the Berlin CAP reform agreement of 1999 were proposed by the European Commission in 2002. These include an increase in milk quota and a reduction in support prices for butter and skim milk powder over the period 2004-08 to improve EU competitiveness.

...but some major sectors remain insulated from world market signals

While a number of these reforms are moving in the direction of increased market orientation, producers in some major sectors remain heavily insulated from world market signals and continue to receive very high levels of support. As a result, farm sector support in the European Union continues to be amongst the highest in the OECD. In this context, the proposals of the European Commission for a long term reform perspective for sustainable agriculture, as released in January 2003, represent an opportunity to further reduce the production and trade distortions of the CAP for a number of EU commodity sectors.

Support levels remain high in Japan

Japan is a major importer of agricultural products in the OECD area. Overall, domestic agriculture in Japan is relatively small scale, uncompetitive by international standards and with farmers continuing to receive very high support and protection that is well above OECD average levels. Support is mainly provided through border measures, primarily tariff rate quotas, and supply management regimes for milk production and rice land diversion. No reform measures have been scheduled for introduction in the Outlook period.

Despite some progress, most support in OECD countries continues to distort markets

In relation to the composition of support, while a number of OECD countries have shifted toward providing support to their producers in a way that is less distorting, market price support is still dominant. This form of support, in addition to being among the most production and trade distorting, tends to be the least effective in transferring income to producers and with a majority of support going to a small group of the largest farms. The latest estimates of support based on the PSE methodology indicate a little change in recent years. Within the OECD area, milk and beef production continue to receive the most support in monetary terms. Support to rice production ranks third amongst the measured commodities. When support is measured as a share of producer receipts, rice with a %PSE of 80% is the most supported commodity. Many OECD milk and sugar producers are also very dependent on government programmes for their economic well being. The level of support within commodity categories, however, continues to show wide variation across countries. Furthermore, for some countries and commodities the extent of price transmission from world markets remains low due to border measures. This reduces the ability of market signals to influence the composition and level of (over) production, and lowers the welfare of consumers of agricultural products. It also has the effect of lowering world prices and tends to exacerbate the extent of price volatility. In these cases, the reform of trade policies becomes a prerequisite for more fundamental changes in commodity support arrangements.

Bilateral and regional trade agreements are multiplying

Many countries are pursuing regional and other preferential trade arrangements that can also impact world markets and possibly domestic support arrangements for particular commodities down the road. The vast majority of WTO members are party to one or more regional trade agreements and by 2005, the number of RTAs in force might well approach 300. Ten Central and East European countries are due to join the European Union on 1 May 2004 to create an EU-25. Although enlargement of the

European Union is not taken into account in this set of Outlook projections, the European Commission has released an assessment of the likely implications for agricultural markets and this is summarised in a section in the report entitled “*Development of agricultural markets in the EU after enlargement*”. Under the European Agreements negotiated between the European Union and the 10 applicant countries of Central and Eastern Europe plus Romania and Bulgaria, reciprocal improvement in market access was agreed. In addition an “Everything But Arms” (EBA) initiative was taken by the European Union to improve access for the least developed countries. Discussions continue on a Free Trade Area of the Americas which is due to be operational by 2005. In addition, the United States and Australia are discussing the possibility of a free trade agreement between themselves, to mention only a few of the negotiations that are underway. It remains an empirical question whether these regional and bilateral trade initiatives will lead to a more open world trading system and improved trade rules, compared to the outcome of the multilateral trade negotiations in the WTO.

Outcome of the Doha negotiations remains uncertain....

A successful conclusion of the Doha Development Agenda of multilateral trade negotiations currently underway in the WTO is expected to have a longer term positive impact on agricultural trade, leading to less distortion and improved functioning of world markets. As the outcome of these negotiations is unknown and will only likely impact agricultural markets towards the end of the Outlook period, no account of these trade negotiations is included in the baseline projections. The Chairman of Committee on Agriculture in the WTO has circulated a first draft (followed by a revised draft on 18 March) of modalities. At the time of drafting this report no agreement had been reached on modalities for negotiations on further commitments on agriculture in the WTO that was due to be established by 31 March 2003, as part of an agreed schedule for completion of the negotiations by 2005.

Missing the modalities deadline is unfortunate...

When Ministers initiated the Doha Development Agenda it was widely recognized that the reform of farm trade was one of the most important benefits to be delivered to the world’s poor nations from a successful outcome to the negotiations. A tight schedule was imposed for the completion of the negotiations on the expectation that it would give a new boost to global integration and growth. Missing the deadline for an agreement on modalities for furthering the negotiations on agriculture is thus unfortunate. The WTO trade negotiations on agriculture are now at a critical juncture, with a need for all countries to show some movement in their negotiating positions. This flexibility will be required to deliver on the promises made in the Doha Ministerial Declaration of November 2001. Otherwise, in the absence of a renewed spirit of international cooperation, fostered by a strengthening of political and trade relations, there is a risk that the enormous opportunity, overall, for trade expansion, growth and development benefits for the world’s poor nations from farm trade reform will be delayed or, at worse, missed.

...and underscores the need for greater international cooperation to reach a new accord

ANNEX 1. STATISTICAL TABLES

1. Economic assumptions.....	17
2. World prices.....	19
3. Main policy assumptions for cereal markets.....	20
4. World cereal projections.....	22
5. Main policy assumptions for oilseed markets.....	23
6. World oilseed projections.....	24
7. Main policy assumptions for meat markets.....	25
8. OECD meat projections.....	27
9. Main policy assumptions for dairy markets.....	28
10. World dairy projections (butter and cheese).....	30
11. World dairy projections (powders and casein).....	31
12. OECD trade projections.....	32
13. Main policy assumptions for sugar markets.....	33
14. World sugar projections (in raw sugar equivalent).....	34
Acronyms and abbreviations.....	35

Annex Table 1. - ECONOMIC ASSUMPTIONS

Calendar year (a)		Average									
		1997-01	2000	2001p	2002e	2003	2004	2005	2006	2007	2008
REAL GDP (b)											
Australia	%	3.9	3.2	2.8	3.5	3.7	3.8	3.9	3.5	3.4	3.3
Canada	%	4.0	5.0	1.5	3.3	3.1	3.5	3.1	3.1	3.1	3.1
EU 15	%	2.6	3.3	1.7	0.8	1.8	2.7	2.4	2.3	2.3	2.3
Hungary	%	4.5	5.2	3.8	3.1	4.1	4.0	4.2	4.1	4.0	4.0
Japan	%	0.7	2.6	-0.3	-0.7	0.8	0.9	1.3	1.3	1.3	1.4
Korea	%	4.3	9.3	3.0	6.1	5.8	5.7	5.5	5.4	5.4	5.3
Mexico	%	4.4	6.5	-0.3	1.5	3.3	4.0	4.8	4.6	4.5	4.5
New Zealand	%	2.5	3.9	1.4	3.8	3.0	3.4	2.8	2.9	2.8	2.8
Poland	%	4.1	4.1	0.9	1.2	2.5	2.9	4.4	5.0	5.2	5.3
United States	%	3.4	3.8	0.3	2.3	2.6	3.6	3.5	3.4	3.4	3.4
OECD (c) (e)	%	2.8	3.8	0.8	1.5	2.6	3.2	3.0	2.9	2.9	2.9
Argentina	%	0.7	-0.8	-4.4	-11.9	0.8	4.3	5.5	4.9	3.9	4.0
Brazil	%	2.0	4.4	1.6	0.7	1.3	3.4	3.6	4.5	4.4	4.3
China	%	7.7	8.0	7.3	7.8	7.4	7.5	6.5	7.0	8.4	8.4
Russia	%	3.1	9.0	5.0	4.3	3.5	2.9	3.6	4.1	3.2	3.3
Rest of world (d)	%	2.9	4.9	1.8	3.0	4.6	4.7	5.0	4.1	3.9	4.7
CPI (b)											
Australia	%	2.3	4.5	4.4	3.0	2.9	2.7	2.4	2.4	2.4	2.4
Canada	%	4.0	2.7	2.5	2.2	2.7	2.3	2.3	2.2	2.2	2.2
EU 15	%	2.0	2.5	2.1	2.2	2.0	1.8	1.6	1.6	1.5	1.5
Hungary	%	12.3	9.8	9.2	5.4	5.2	4.2	3.6	3.3	3.0	3.0
Japan	%	0.1	-0.7	-0.7	-1.1	-1.1	-1.1	-1.0	-1.0	-1.0	-1.0
Korea	%	3.8	2.3	4.1	2.7	3.5	3.3	3.0	3.0	3.0	3.0
Mexico	%	13.8	9.5	6.4	4.4	3.9	3.5	3.2	3.0	3.0	3.0
New Zealand	%	1.5	2.6	2.6	1.6	2.3	2.1	2.2	2.2	2.2	2.2
Poland	%	9.9	10.1	5.5	2.1	2.5	2.7	2.6	2.6	2.5	2.5
United States	%	2.5	3.4	2.8	1.6	1.9	1.8	1.8	1.8	1.8	1.8
OECD	%	3.6	3.6	3.2	2.3	2.2	1.8	1.7	1.6	1.6	1.6
Argentina	%	-0.9	0.5	-1.1	32.8	54.3	14.9	7.1	5.5	5.3	5.1
Brazil	%	4.9	0.8	6.8	7.9	7.8	4.5	3.9	3.5	3.2	3.1
China	%	0.9	0.7	0.7	-0.6	1.4	3.2	3.3	5.4	5.5	4.3
Russia	%	3.1	14.0	25.7	15.6	13.0	10.4	7.6	8.0	7.3	4.8
POPULATION											
Australia	million	19.0	19.2	19.5	19.7	19.9	20.0	20.2	20.4	20.5	20.7
Canada	million	30.7	30.8	31.1	31.4	31.6	31.9	32.1	32.3	32.5	32.6
EU 15	million	374.8	375.4	375.7	375.8	375.8	375.8	375.6	375.4	375.1	374.7
Japan	million	126.7	126.9	127.2	127.3	127.4	127.4	127.4	127.4	127.3	127.1
Korea	million	46.7	47.0	47.3	47.7	48.0	48.3	48.6	48.9	49.2	49.5
Mexico	million	96.8	97.4	99.2	101.0	102.6	104.1	105.6	106.8	108.1	109.4
Poland	million	38.7	38.6	38.6	38.7	38.7	38.7	38.7	38.8	38.8	38.8
United States	million	273.2	275.2	279.8	282.8	284.8	286.8	288.8	290.8	292.7	294.7
OECD	million	1113.81	1119.39	1128.48	1135.42	1140.96	1146.14	1151.03	1155.64	1160.01	1164.17
Argentina	million	36.58	37.02	37.52	37.98	38.42	38.82	39.21	39.54	39.88	40.23
Brazil	million	168.04	170.27	172.30	174.33	176.37	178.40	180.43	182.46	184.48	186.49
China	million	1249.15	1260.39	1269.91	1279.16	1288.18	1296.99	1305.62	1313.78	1322.03	1330.35
Russia	million	146.51	146.13	145.71	145.26	144.78	144.28	143.75	143.21	142.64	142.06
Rest of world (d)	million	3114.90	3177.45	3237.25	3299.59	3357.30	3414.55	3471.30	3527.34	3583.38	3639.34

For notes, see end of the table.

Annex Table 1. - **ECONOMIC ASSUMPTIONS** (cont'd)

Calendar year (a)		Average									
		1997-01	2000	2001 ^p	2002 ^e	2003	2004	2005	2006	2007	2008
EXCHANGE RATE											
Australia	AUD/USD	1.63	1.73	1.94	1.84	1.78	1.78	1.85	1.88	1.91	1.94
Canada	CAD/USD	1.48	1.49	1.55	1.57	1.55	1.55	1.57	1.59	1.60	1.62
EU 15	EUR/USD	0.98	1.09	1.12	1.06	1.00	1.00	1.00	1.00	1.01	1.01
Hungary	HUF/USD	241.3	282.3	286.5	258.6	241.9	241.9	242.3	242.8	243.2	243.7
Japan	JPY/USD	119.0	107.8	121.5	125.4	122.5	122.5	119.4	116.3	113.3	110.4
Korea	'000 KRW/USD	1.19	1.13	1.29	1.25	1.22	1.22	1.23	1.24	1.25	1.26
Mexico	MXN/USD	9.09	9.45	9.34	9.66	10.17	10.17	10.43	10.69	10.93	11.15
New Zealand	NZD/USD	1.97	2.20	2.38	2.17	2.02	2.02	2.05	2.07	2.10	2.13
Poland	PLN/USD	3.84	4.35	4.10	4.09	3.98	3.98	4.04	4.11	4.19	4.26
Argentina	ARS/USD	1.00	1.00	1.00	3.19	4.46	4.98	5.32	5.54	5.73	5.90
Brazil	BRL/USD	1.65	1.83	2.36	2.96	3.40	3.16	3.33	3.45	3.57	3.69
Russia	RUR/USD	19.5	28.1	29.2	31.6	33.0	35.2	36.5	38.6	41.3	43.3
China	CNY/USD	1.37	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28

a) Historical information for real GDP, population and exchange rates were obtained from OECD Economic Outlook No 72, December 2002 and CPI from OECD Main Economic indicators, December 2002. Assumptions for the projection period draw on the recent medium term macroeconomic projections of the OECD Economic Department, World Bank projections December 2002 and responses to a questionnaire sent to Member country agricultural experts. b) Annual per cent change. c) Excludes Iceland. d) Excludes OIS, Argentina, China, Brazil and Russia. Source: World Bank, December 2002. e) Annual weighted average real GDP growth rates in OECD countries are based on GDP weights using 1995 purchasing power parities.

p: provisional; e: estimate.

Source : OECD Secretariat

Annex Table 2. - WORLD PRICES (a)

		Average									
		97/98-01/02	00/01	01/02 _p	02/03 _e	03/04	04/05	05/06	06/07	07/08	08/09
WHEAT											
Price (b)	USD/t	124.3	126.6	125.2	167.7	138.7	139.8	141.9	143.2	141.9	144.7
COARSE GRAINS											
Price (c)	USD/t	93.9	90.2	89.8	113.7	100.2	102.6	105.8	106.9	106.9	109.6
RICE											
Price (d)	USD/t	238.6	184.0	192.0	191.5	204.6	220.6	234.1	238.9	244.6	256.3
OILSEEDS											
Price (e)	USD/t	221.6	203.0	211.2	253.7	229.2	230.9	225.4	236.3	239.9	243.5
OILSEED MEALS											
Price (f)	USD/t	164.9	176.5	164.0	164.4	143.3	148.0	150.7	157.4	158.8	164.1
VEGETABLE OILS											
Price (g)	USD/t	454.0	335.7	422.3	545.8	572.6	560.5	526.6	536.5	554.1	558.5
SUGAR											
Price, raw sugar (h)	USD/t	190.0	219.3	167.2	165.3	172.0	191.8	183.0	174.2	169.8	165.3
Price, refined sugar (i)	USD/t	236.4	252.3	235.3	238.1	242.5	260.1	249.1	238.1	231.5	224.9
BEEF AND VEAL											
Price, EU (j)	EUR/100 kg dw	248.5	260.2	223.1	236.3	243.6	253.4	259.7	255.8	258.5	264.1
Price, USA (k)	USD/100 kg dw	238.8	247.7	258.5	236.4	261.0	273.5	277.0	278.8	266.0	257.7
Price, Argentina (l)	ARS/100 kg dw	156.3	148.0	133.5	343.1	574.8	713.0	761.2	753.5	685.7	667.0
PIG MEAT											
Price, EU (m)	EUR/100 kg dw	144.0	158.3	166.6	139.6	148.0	153.0	156.0	156.3	156.1	155.8
Price, USA (n)	USD/100 kg dw	130.8	136.9	140.3	102.2	107.1	126.7	128.6	113.1	114.9	128.7
Price, Brazil (o)	BRL/100 kg dw	119.7	128.3	145.3	161.1	191.6	193.4	196.5	205.7	213.0	221.9
POULTRY MEAT											
Price, EU (p)	EUR/100 kg rtc	101.0	98.4	107.6	97.6	100.4	98.7	99.3	100.3	101.0	101.7
Price, USA (q)	USD/100 kg rtc	130.2	123.9	130.3	122.4	128.0	134.1	136.7	139.2	140.4	139.5
SHEEP MEAT											
Price, New Zealand (r)	NZD/100 kg dw	296.1	299.5	383.0	417.0	366.2	345.2	334.8	342.4	350.3	357.5
BUTTER											
Price (s)	USD/100 kg	159.6	136.7	133.6	113.4	124.0	127.9	132.1	135.4	136.9	137.4
CHEESE											
Price (t)	USD/100 kg	195.0	186.1	217.2	171.8	183.0	186.6	191.0	195.7	197.6	199.1
SKIM MILK POWDER											
Price (u)	USD/100 kg	167.6	189.6	197.5	132.9	155.8	160.8	166.6	168.7	170.1	170.5
WHOLE MILK POWDER											
Price (v)	USD/100 kg	177.0	182.2	197.3	139.0	162.3	169.2	173.9	177.3	178.9	178.9
WHEY POWDER											
Wholesale price, USA (w)	USD/100 kg	45.7	44.4	42.4	48.4	52.7	55.6	57.1	59.0	62.1	64.6
CASEIN											
Price (x)	USD/100 kg	442.0	403.8	498.7	464.3	359.3	402.9	420.1	429.5	438.6	439.1

a) This table is a compilation of price information presented in the detailed commodity tables further in this annex. Prices for crops are on marketing year basis and those for meat and dairy products on calendar year basis (e.g. 00/01 is calendar year 2000). b) No.2 hard red winter wheat, ordinary protein, USA f.o.b. Gulf Ports (June/May). c) No.2 yellow corn, US f.o.b. Gulf Ports (September/August). d) Milled, 100%, grade b, Nominal Price Quote, NPQ, f.o.b. Bangkok (August/July). e) Weighted average oilseed price, European port. f) Weighted average meal price, European port. g) Weighted average price of oilseed oils and palm oil, European port. h) Raw sugar world price, New York No 11, Fob stowed Caribbean port (including Brazil), bulk spot price. i) Refined sugar price, London No 5, FOB Europe, spot. j) Producer price. k) Choice steers, 1100-1300 lb lw, Nebraska - lw to dw conversion factor 0.63. l) Buenos Aires wholesale price linier, young bulls. m) Pig reference price - EU15 starting in 1995. n) Barrows and gilts, No. 1-3, 230-250 lb lw, Iowa/South Minnesota - lw to dw conversion factor 0.74. o) Producer price. p) Weighted average farmgate live fowls, top quality, (lw to rtc conversion of 0.75), EU15 starting in 1995. q) Wholesale weighted average broiler price 12 cities. r) Lamb schedule price, all grade average. s) F.o.b. export price, butter, 82% butterfat, northern Europe. t) F.o.b. export price, cheddar cheese, 40 lb blocks, Northern Europe. u) F.o.b. export price, nonfat dry milk, extra grade, Northern Europe. v) F.o.b. export price, WMP 26% butterfat, Northern Europe. w) Edible dry whey, Wisconsin, plant. x) World price, New Zealand.

p: provisional; e: estimate.

Source : OECD Secretariat

Annex Table 3. - MAIN POLICY ASSUMPTIONS FOR CEREAL MARKETS

Crop year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
ARGENTINA											
Crops export tax	%	0	0	0	23	23	23	23	23	23	23
Rice export tax	%	0	0	0	10	10	10	10	10	10	10
CANADA											
Tariff-quotas (b)											
wheat	kt	328	350	350	350	350	350	350	350	350	350
in-quota tariff	%	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
out-of-quota tariff	%	71	70	70	70	70	70	70	70	70	70
barley	kt	361	399	399	399	399	399	399	399	399	399
in-quota tariff	%	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
out-of-quota tariff	%	60	58	58	58	58	58	58	58	58	58
EU15 (c)											
Cereal support price (d)	EUR/t	114	110	101	101	101	101	101	101	101	101
Cereal compensation (e) (f)	EUR/t	57	59	63	63	63	63	63	63	63	63
Compulsory set-aside rate	%	..	10	10	10	10	10	10	10	10	10
Set-aside payment (f)	EUR/t	66	59	63	63	63	63	63	63	63	63
Wheat tariff-quota (b)	kt	350	350	350	350	3,332	3,332	3,332	3,332	3,332	3,332
Coarse grain tariff-quota (b)	kt	2,522	2,822	2,822	2,822	3,122	3,122	3,122	3,122	3,122	3,122
Subsidised export limits (b) (g)											
wheat	mt	16.8	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4
coarse grains (h)	mt	11.3	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
JAPAN											
Rice land diversion program	'000ha	937	963	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010
Wheat support price (i)	'000 JPY/t	148	147	145	145	145	145	145	145	145	145
Barley support price (j)	'000 JPY/t	127	127	125	125	125	125	125	125	125	125
Wheat tariff-quota	kt	5,698	5,740	5,740	5,740	5,740	5,740	5,740	5,740	5,740	5,740
in-quota tariff	%	10	10	10	10	10	10	10	10	10	10
out-of-quota tariff	%	504	547	547	547	547	547	547	547	547	547
Barley tariff-quota	kt	1,359	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369
in-quota tariff	%	0	0	0	0	0	0	0	0	0	0
out-of-quota tariff	%	371	400	400	400	400	400	400	400	400	400
Rice tariff-quota (k)	kt	629	682	682	682	682	682	682	682	682	682
in-quota tariff	%	5	5	5	5	5	5	5	5	5	5
out-of-quota tariff	%	1,182	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
KOREA											
Wheat tariff	%	9.8	8.9	8.0	7.2	6.3	5.4	5.4	5.4	5.4	5.4
Maize tariff-quota	kt	6,102	6,102	6,102	6,102	6,102	6,102	6,102	6,102	6,102	6,102
in-quota tariff	%	2.0	1.9	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7
out-of-quota tariff	%	426	422	417	413	408	404	404	404	404	404
Barley tariff-quota	kt	48	49	50	51	53	54	54	54	54	54
in-quota tariff	%	23	23	23	23	23	23	23	23	23	23
out-of-quota tariff	%	385	382	372	367	363	359	359	359	359	359
Rice quota (k)	kt	115	137	154	171	188	205	205	205	205	205
in-quota tariff	%	5	5	5	5	5	5	5	5	5	5

For notes, see end of the table.

Annex Table 3. - MAIN POLICY ASSUMPTIONS FOR CEREAL MARKETS (cont'd)

Crop year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
MERCOSUR											
Wheat tariff	%	12	13	13	12	12	12	10	10	10	10
Coarse grain tariff	%	8	8	8	8	8	8	8	8	8	8
Rice tariff	%	12	13	13	12	12	12	10	10	10	10
MEXICO											
Cereal income payment (l)	MXN/ha	699	778	829	865	899	931	960	989	1 019	1 049
Wheat NAFTA tariff	%	6.0	4.5	3.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Fidelist social program	MXN mn	1 521	1 638	1 912	2 083	2 232	2 369	2 501	2 635	2 776	2 926
Tortilla consumption subsidy	MXN mn	1 685	0	0	0	0	0	0	0	0	0
Maize tariff-quota	kt	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501
in-quota tariff	%	50	50	50	50	50	50	50	50	50	50
out-of-quota tariff	%	205	202	200	198	196	194	194	194	194	194
Barley tariff-quota	kt	5	5	5	5	5	5	5	5	5	5
in-quota tariff	%	50	50	50	50	50	50	50	50	50	50
out-of-quota tariff	%	122	120	119	118	116	115	115	115	115	115
POLAND											
Wheat tariff	%	23	25	25	25	25	25	25	25	25	25
Barley tariff	%	20	20	20	20	20	20	20	20	20	20
UNITED STATES											
Wheat loan rate	USD/t	94.8	94.8	94.8	102.9	102.9	101.0	101.0	101.0	101.0	101.0
Maize loan rate	USD/t	74.4	74.4	74.4	77.9	77.9	76.8	76.8	76.8	76.8	76.8
Prod. flex. contract payment											
wheat	USD/t	21.9	21.6	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9
maize	USD/t	14.3	13.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
CRP areas (m)	mha	6.2	6.1	6.4	6.6	6.7	6.7	6.7	6.7	6.7	6.7
wheat	mha	3.3	3.2	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6
coarse grains	mha	2.9	2.9	2.9	3.0	3.1	3.1	3.1	3.1	3.1	3.1
Subsidised export limits (b)											
wheat	mt	15.9	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
coarse grains	mt	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Wheat EEP payment (n)	USD/t	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHINA											
Wheat support price	CNY/t	661	666	670	689	718	749	795	840	884	930
Coarse grains support price	CNY/t	565	573	579	598	626	657	701	748	791	837
Rice support price	CNY/t	1 885	2 199	1 080	1 121	1 180	1 243	1 312	1 339	1 353	1 367
Wheat tariff-quota	kt	1 577	0	7 884	8 468	9 052	9 636	9 636	9 636	9 636	9 636
in-quota tariff	%	..	0.0	0.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3
out-of-quota tariff	%	78.0	55.1	62.9	71.0	68.0	65.0	65.0	65.0	65.0	65.0
Coarse grains tariff	%	15	11	14	3	3	3	3	3	3	3
Maize tariff-quota	kt	1 035	0	5 175	5 850	6 525	7 200	7 200	7 200	7 200	7 200
in-quota tariff	%	..	0.0	0.0	3.7	3.7	3.7	3.7	3.7	3.7	3.7
out-of-quota tariff	%	59.9	42.5	51.0	51.7	46.7	41.7	41.7	41.7	41.7	41.7
Rice tariff-quota	%	665	0	3 325	3 990	4 655	5 320	5 320	5 320	5 320	5 320
in-quota tariff	%	..	0.0	0.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3
out-of-quota tariff	%	70.1	50.0	54.6	68.0	68.0	68.0	68.0	68.0	68.0	68.0

a) Beginning crop marketing year - see Glossary of Terms for definitions. b) Year beginning 1 July. c) Prices and payments in market Euro - see Glossary of Terms. d) Common intervention price for soft wheat, barley, maize, rye and sorghum. e) Compensatory area payments. f) Actual payments made per hectare based on program yields. g) The export volume for coarse grain excludes 0.4mio t of exported potato starch. h) The original limit on subsidised exports is 10.8 mt; the figure given here is used to take into account subsidised exports for potatoes. i) Government purchase price, domestic wheat. j) Government purchase price, barley, 2nd grade, 1st class. k) Husked rice basis. l) Applies to producers of wheat, maize and sorghum. m) Includes wheat, barley, maize, oats and sorghum. n) Average per tonne of total exports.

Note : The source for tariffs and Tariff Rate Quotas is AMAD (Agricultural market access database). The tariff and TRQ data are based on Most Favoured Nation rates scheduled with the WTO and exclude those under preferential or regional agreements, which may be substantially different. Tariffs are averages of several product lines. Specific rates are converted to ad valorem rates using world prices in the Outlook. Import quotas are based on global commitments scheduled in the WTO rather than those allocated to preferential partners under regional or other agreements. For Mexico, the NAFTA in-quota tariff on maize and barley is zero, while the tariff-rate quota becomes unlimited in 2003 for barley and 2008 for maize.

Source: OECD Secretariat.

Annex Table 4. - WORLD CEREAL PROJECTIONS

Crop year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
WHEAT											
OECD (b)											
Production	mt	247.5	253.9	231.4	214.6	253.0	255.7	258.2	262.1	265.1	268.6
Consumption	mt	186.7	191.0	189.7	189.1	195.3	198.0	199.5	201.0	202.5	203.7
feed use	mt	66.9	70.0	66.0	63.4	65.9	68.2	68.8	69.4	70.3	70.9
Closing stocks	mt	56.9	59.6	57.3	39.7	46.9	50.0	51.3	53.0	53.9	53.9
Non OECD											
Production	mt	340.7	326.7	348.6	354.3	356.2	362.6	367.6	373.4	379.3	385.0
Consumption	mt	389.8	364.7	388.6	399.1	406.9	417.0	424.5	432.5	441.0	449.7
feed use	mt	33.3	32.3	35.1	39.1	38.4	40.2	41.1	42.2	43.1	44.5
Net trade (d)	mt	-57.9	-59.7	-43.9	-43.1	-50.6	-54.5	-57.4	-59.4	-61.8	-64.8
Closing stocks	mt	162.3	173.9	177.8	176.1	175.9	175.9	176.4	176.8	176.9	177.1
WORLD (c)											
Production	mt	588.1	580.7	580.0	568.9	609.2	618.3	625.8	635.6	644.5	653.6
Consumption	mt	576.6	555.7	578.4	588.2	602.2	615.0	624.0	633.5	643.4	653.4
feed use	mt	100.1	102.3	101.1	102.5	104.3	108.4	109.9	111.6	113.3	115.4
Closing stocks	mt	219.2	233.5	235.1	215.8	222.7	225.9	227.7	229.8	230.8	231.0
Price (e)	USD/t	124.3	126.6	125.2	167.7	138.7	139.8	141.9	143.2	141.9	144.7
COARSE GRAINS											
OECD (b)											
Production	mt	475.9	477.3	476.3	446.4	498.4	498.7	499.7	509.8	515.3	521.7
Consumption	mt	441.7	445.0	454.0	449.7	459.0	464.4	467.8	471.6	474.8	479.6
feed use	mt	329.0	332.0	335.2	325.3	328.4	332.5	334.6	336.8	338.2	341.5
Closing stocks	mt	95.4	96.3	96.3	72.1	83.6	86.0	85.3	86.4	87.0	87.0
Non OECD											
Production	mt	375.4	361.3	394.4	402.8	413.2	420.0	428.9	438.2	444.9	452.4
Consumption	mt	414.1	396.1	431.5	432.1	442.2	452.9	462.2	475.2	484.8	494.2
feed use	mt	245.7	235.0	263.3	259.2	265.9	274.9	283.1	294.7	302.9	311.0
Net trade (d)	mt	-28.9	-29.0	-22.3	-20.9	-27.9	-31.8	-32.6	-37.0	-40.0	-42.1
Closing stocks	mt	98.7	91.7	76.9	68.6	67.4	66.4	65.7	65.7	65.8	66.1
WORLD (c)											
Production	mt	851.3	838.6	870.6	849.2	911.6	918.7	928.6	947.9	960.2	974.1
Consumption	mt	855.8	841.1	885.5	881.8	901.3	917.3	930.0	946.8	959.6	973.8
feed use	mt	574.7	567.0	598.5	584.4	594.3	607.4	617.6	631.5	641.1	652.5
Closing stocks	mt	194.1	188.0	173.2	140.7	151.0	152.4	151.0	152.1	152.8	153.1
Price (f)	USD/t	93.9	90.2	89.8	113.7	100.2	102.6	105.8	106.9	106.9	109.6
RICE											
OECD (b)											
Production	mt	23.8	23.9	24.0	23.3	23.6	23.7	23.9	24.0	24.0	24.1
Consumption	mt	21.8	22.1	22.3	22.1	22.0	22.0	22.1	22.1	22.3	22.5
Closing stocks	mt	8.1	8.0	8.5	8.3	8.5	8.9	9.3	9.6	10.0	10.9
Non OECD											
Production	mt	373.5	374.6	374.4	363.0	379.3	388.6	394.2	401.0	406.9	412.7
Consumption	mt	372.8	374.7	388.6	385.7	390.0	395.9	400.0	404.1	408.8	413.3
Net trade (d)	mt	-1.7	-1.6	-1.2	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-0.7
Closing stocks	mt	130.7	139.9	127.0	105.7	96.4	90.5	86.2	84.5	84.0	84.1
WORLD (c)											
Production	mt	397.2	398.5	398.4	386.3	402.9	412.4	418.1	425.0	431.0	436.7
Consumption	mt	394.6	396.7	410.9	407.8	412.0	417.9	422.0	426.3	431.0	435.8
Closing stocks	mt	138.7	148.0	135.5	114.0	104.9	99.4	95.4	94.1	94.1	95.0
Price (g)	USD/t	238.6	184.0	192.0	191.5	204.6	220.6	234.1	238.9	244.6	256.3

a) Beginning crop marketing year - see Glossary of Terms for definitions. b) Excludes Iceland. c) Source of historic data is USDA. d) Non OECD net exports (imports) equal OECD net imports (exports). e) No.2 hard red winter wheat, ordinary protein, USA f.o.b. Gulf Ports (June/May). f) No.2 yellow corn, US f.o.b. Gulf Ports (September/August). g) Milled, 100%, grade b, Nominal Price Quote, NPQ, f.o.b. Bangkok (August/July)

p: provisional; e: estimate.

Source : OECD Secretariat

Annex Table 5. - MAIN POLICY ASSUMPTIONS FOR OILSEED MARKETS

Crop year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
ARGENTINA											
Oilseed export tax	%	3.5	3.5	3.5	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Oilseed meal export tax	%	0.0	0.0	0.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Oilseed oil export tax	%	0.0	0.0	0.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
AUSTRALIA											
Tariffs											
soyabean oil	%	8.4	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
rapeseed oil	%	8.4	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
CANADA											
Tariffs											
rapeseed oil	%	7.1	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
EU15 (c)											
Oilseed compensation (d) (e)	EUR/t	87.3	82	72	63	63	63	63	63	63	63
Compulsory set-aside rate	%	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Set-aside payment (e)	EUR/t	65.6	58.7	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Tariffs											
soyabean oil	%	6.7	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
rapeseed oil	%	6.7	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
JAPAN											
Deficiency payments											
soyabeans	bn. JPY	10.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Tariffs											
soyabean oil	%	12.1	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9
rapeseed oil	%	26.0	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4
KOREA											
Soybean tariff-quota	kt	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032
in-quota tariff	%	5	5	5	5	5	5	5	5	5	5
out-of-quota tariff	%	514	509	503	498	492	487	487	487	487	487
Soyabean (for food) mark up	'000 KRW/t	146	252	168	155	141	136	130	128	125	122
MEXICO											
Soyabeans income payment (f)	MXN/ha	699	778	829	865	899	931	960	989	1 019	1 049
Tariffs											
soyabeans	%	34.8	34.5	34.1	33.7	33.4	33.0	33.0	33.0	33.0	33.0
soyabean meal	%	30.6	29.3	27.9	26.5	25.1	23.8	23.8	23.8	23.8	23.8
soyabean oil	%	47.5	47.0	46.5	46.0	45.5	45.0	45.0	45.0	45.0	45.0
POLAND											
Tariffs											
rapeseed	%	15	15	15	15	15	15	15	15	15	15
soyabean meal	%	6	5	5	5	5	5	5	5	5	5
soyabean oil	%	10	10	10	10	10	10	10	10	10	10
soyabean oil tariff-quota	kt	50	50	50	50	50	50	50	50	50	50
in-quota tariff	%	40	40	40	40	40	40	40	40	40	40
out-of-quota tariff	%	57	51	51	51	51	51	51	51	51	51
UNITED STATES											
Soyabeans loan rate	USD/t	193.3	193.3	193.3	183.7	183.7	183.7	183.7	183.7	183.7	183.7
CRP area											
soyabeans	mha	1.8	1.9	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2
Tariffs											
rapeseed	%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
soyabean meal	%	2.4	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
rapeseed meal	%	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
soyabean oil	%	13.2	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7
rapeseed oil	%	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Subsidised export limits (b)											
oilseed oils	kt	248.4	141.0	141.0	141.0	141.0	141.0	141.0	141.0	141.0	141.0
CHINA											
Soyabeans support price	CNY/t	1 005.0	1 222.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariffs (b)											
soyabeans	%	81.7	58.2	64.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
soyabean meal	%	15.1	14.8	14.8	6.3	6.3	6.3	6.3	6.3	6.3	6.3
soyabean oil in-quota tariff	%	..	0.0	0.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Vegetable oil tariff-quota	kt	991.4	0.0	4 957.2	5 796.9	6 436.6	6 944.6	7 998.1	7 998.1	7 998.1	7 998.1

a) Beginning crop marketing year - see Glossary of Terms for definitions. b) calendar year, except for China and subsidised export limits in USA, beginning 1 July. c) Prices and payments in market Euro - see Glossary of Terms. d) Compensatory area payments, before penalties. e) Payments made per hectare based on regional yields. f) Weighted average of autumn/winter and spring/summer.

Note : The source for tariffs and Tariff Rate Quotas is AMAD (Agricultural market access database). The tariff and TRQ data are based on Most Favoured Nation rates scheduled with the WTO and exclude those under preferential or regional agreements, which may be substantially different. Tariffs are averages of several product lines. Specific rates are converted to ad valorem rates using world prices in the Outlook. Import quotas are based on global commitments scheduled in the WTO rather than those allocated to preferential partners under regional or other agreements. For Mexico, the NAFTA tariffs on soybeans, oilmeals and soybean oil are zero after 2003.

Source: OECD Secretariat.

Annex Table 6. - WORLD OILSEED PROJECTIONS

Marketing year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
OILSEEDS											
OECD (b)											
Production	mt	107.5	107.2	107.6	100.7	110.5	111.7	113.8	115.4	118.0	120.0
Consumption	mt	108.7	109.8	110.6	110.6	114.6	117.4	120.3	121.6	123.3	125.5
crush	mt	96.7	97.3	99.0	98.1	101.4	103.8	106.2	107.6	109.2	111.2
Closing stocks	mt	12.5	12.2	11.1	9.3	11.2	11.7	12.3	11.8	11.7	11.9
Non OECD											
Production	mt	116.6	121.4	127.8	142.6	147.7	151.4	156.4	158.1	162.4	168.2
Consumption	mt	114.8	119.7	129.0	134.3	140.6	144.4	148.8	152.2	156.9	162.2
crush	mt	99.0	103.9	112.3	120.0	125.2	128.4	132.2	135.5	140.0	145.0
Net trade (d)	mt	1.8	0.5	1.9	8.1	6.0	6.3	7.0	5.7	5.3	5.7
Closing stocks	mt	7.1	9.1	6.0	6.3	7.4	8.2	8.8	9.0	9.3	9.5
WORLD (c)											
Production	mt	224.1	228.6	235.4	243.4	258.1	263.2	270.2	273.6	280.4	288.1
Consumption	mt	223.5	229.6	239.6	244.9	255.1	261.9	269.0	273.8	280.2	287.7
crush	mt	195.7	201.3	211.3	218.1	226.5	232.2	238.5	243.2	249.2	256.1
Closing stocks	mt	19.6	21.3	17.1	15.6	18.6	19.9	21.1	20.8	21.0	21.4
Price (e)	USD/t	221.6	203.0	211.2	253.7	229.2	230.9	225.4	236.3	239.9	243.5
OILSEED MEALS											
OECD (b)											
Production	mt	70.9	71.5	73.0	72.4	74.6	76.3	78.0	78.9	80.1	81.4
Consumption	mt	86.8	87.9	91.2	92.9	94.6	96.7	98.8	100.0	101.9	103.9
Closing stocks	mt	2.4	2.5	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.7
Non OECD											
Production	mt	70.0	73.6	80.8	86.0	89.4	91.7	94.4	96.6	99.7	103.2
Consumption	mt	53.8	57.1	62.6	65.3	69.0	71.2	73.3	75.4	77.7	80.5
Net trade (d)	mt	16.0	16.5	18.1	20.5	20.1	20.4	20.8	21.1	21.8	22.6
Closing stocks	mt	3.3	3.5	3.6	3.8	4.2	4.3	4.5	4.7	4.9	5.0
WORLD (c)											
Production	mt	140.9	145.2	153.8	158.4	164.0	168.0	172.4	175.6	179.8	184.6
Consumption	mt	140.6	144.9	153.7	158.2	163.5	167.9	172.1	175.4	179.6	184.4
Closing stocks	mt	5.7	6.0	6.1	6.3	6.8	6.9	7.1	7.3	7.5	7.7
Price (f)	USD/t	164.9	176.5	164.0	164.4	143.3	148.0	150.7	157.4	158.8	164.1
VEGETABLE OILS											
OECD (b)											
Production	mt	23.5	23.6	23.3	23.3	24.3	25.0	25.7	26.1	26.5	27.1
Consumption	mt	24.8	25.9	26.3	26.5	26.9	27.6	28.7	29.2	29.6	30.1
Closing stocks	mt	2.2	2.5	2.2	1.9	1.9	1.9	2.0	2.0	2.0	2.0
Non OECD											
Production	mt	42.4	44.0	47.5	49.2	50.8	52.5	55.4	56.8	58.4	60.8
Consumption	mt	40.8	42.0	45.5	46.9	47.6	49.5	52.0	53.7	55.3	57.6
Net trade (d)	mt	1.4	2.5	2.7	2.9	2.6	2.7	3.1	3.1	3.0	3.0
Closing stocks	mt	5.4	5.8	5.1	4.5	5.0	5.3	5.6	5.6	5.7	5.9
WORLD (c)											
Production	mt	65.8	67.6	70.8	72.4	75.1	77.5	81.0	82.8	85.0	87.9
of which palm oil	mt	19.0	19.7	21.2	21.8	22.5	23.5	25.6	26.3	27.1	28.5
Consumption	mt	65.6	67.9	71.8	73.4	74.5	77.1	80.7	82.9	84.9	87.7
Closing stocks	mt	7.5	8.3	7.3	6.3	6.9	7.2	7.6	7.5	7.7	7.9
Oil price (g)	USD/t	454.0	335.7	422.3	545.8	572.6	560.5	526.6	536.5	554.1	558.5

a) Beginning crop marketing year - see Glossary of Terms for definitions. b) Excludes Iceland. c) Source of historic data is USDA. d) Non OECD net exports (imports) equal OECD net imports (exports). e) Weighted average oilseed price, European port. f) Weighted average meal price, European port. g) Weighted average price of oilseed oils and palm oil, European port.

p: provisional; e: estimate.

Source: OECD Secretariat.

Annex Table 7. – MAIN POLICY ASSUMPTIONS FOR MEAT MARKETS

		Average 1997-01	2000	2001	2002	2003	2004	2005	2006	2007	2008
ARGENTINA											
Beef export tax	%	0	0	0	5	5	5	5	5	5	5
CANADA											
Beef tariff-quota	kt pw	76	76	76	76	76	76	76	76	76	76
in-quota tariff	%	0	0	0	0	0	0	0	0	0	0
out-of-quota tariff	%	29	27	27	27	27	27	27	27	27	27
Poultry meat tariff-quota	kt pw	45	45	45	45	45	45	45	45	45	45
in-quota tariff	%	4	3	3	3	3	3	3	3	3	3
out-of-quota tariff	%	215	208	208	208	208	208	208	208	208	208
EU15 (a)											
Beef support price (b) (c) (d)	EUR/kg dw	3.34	3.24	3.01	2.22	2.22	2.22	2.22	2.22	2.22	2.22
Beef buy-in price (b) (e)	EUR/kg dw	..	..	..	1.56	1.56	1.56	1.56	1.56	1.56	1.56
Pig meat basic price (c)	EUR/kg dw	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Sheep meat basic price	EUR/kg dw	5.04	5.04	5.04	..	..	..	..	..	..	..
Sheep basic rate (f)	EUR/head	..	..	..	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Male bovine premium (g)	EUR/head	167	178	203	229	229	229	229	229	229	229
Adult bovine slaughter premium (h)	EUR/head	25	49	75	102	102	102	102	102	102	102
Calf slaughter premium	EUR/head	10	17	33	50	50	50	50	50	50	50
Suckler cow premium	EUR/head	156	163	182	200	200	200	200	200	200	200
Tariff-quotas											
beef	kt pw	164	164	164	164	164	164	164	164	164	164
in-quota tariff	%	31	29	29	29	29	29	29	29	29	29
out-of-quota tariff	%	190	143	143	143	143	143	143	143	143	143
pig meat	kt pw	47	67	67	67	67	67	67	67	67	67
in-quota tariff	%	29	28	28	28	28	28	28	28	28	28
out-of-quota tariff	%	77	67	67	67	67	67	67	67	67	67
poultry meat	kt pw	26	30	30	30	30	30	30	30	30	30
in-quota tariff	%	13	12	12	12	12	12	12	12	12	12
out-of-quota tariff	%	37	31	31	31	31	31	31	31	31	31
sheep meat	kt cwe	285	285	285	285	285	285	285	285	285	285
in-quota tariff	%	5	5	5	5	5	5	5	5	5	5
out-of-quota tariff	%	80	69	69	69	69	69	69	69	69	69
Subsidised export limits (c)											
beef (i)	kt cwe	897	822	822	822	822	822	822	822	822	823
pig meat (i)	kt cwe	467	444	444	444	444	444	444	444	444	444
poultry meat	kt cwe	322	286	286	286	286	286	286	286	286	286
HUNGARY											
Beef tariff-quota	kt pw	14	14	14	14	14	14	14	14	14	14
in-quota tariff	%	15	15	15	15	15	15	15	15	15	15
out-of-quota tariff	%	80	72	72	72	72	72	72	72	72	72
Pig meat tariff-quota	kt pw	18	20	20	20	20	20	20	20	20	20
in-quota tariff	%	15	15	15	15	15	15	15	15	15	15
out-of-quota tariff	%	54	52	52	52	52	52	52	52	52	52
Poultry meat tariff-quota	kt pw	10	11	11	11	11	11	11	11	11	11
in-quota tariff	%	35	35	35	35	35	35	35	35	35	35
out-of-quota tariff	%	43	39	39	39	39	39	39	39	39	39
Sheep meat tariff-quota	kt pw	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
in-quota tariff	%	20	20	20	20	20	20	20	20	20	20
out-of-quota tariff	%	28	26	26	26	26	26	26	26	26	26

For notes, see end of the table.

Annex Table 7. - MAIN POLICY ASSUMPTIONS FOR MEAT MARKETS (cont'd)

		Average 1997-01	2000	2001	2002	2003	2004	2005	2006	2007	2008
JAPAN (j)											
Beef stabilisation prices											
upper price	JPY/kg dw	1 032	1 020	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010
lower price	JPY/kg dw	795	785	780	780	780	780	780	780	780	780
Beef tariff	%	59	50	50	50	50	50	50	50	50	50
Pig meat stabilisation prices											
upper price	JPY/kg dw	495	485	480	480	480	480	480	480	480	480
lower price	JPY/kg dw	373	365	365	365	365	365	365	365	365	365
Pig meat import system											
tariff	%	4	4	4	4	4	4	4	4	4	4
standard import price (k)	JPY/kg dw	422	410	410	410	410	410	410	410	410	410
Poultry meat tariff	%	8	7	7	7	7	7	7	7	7	7
KOREA											
Beef tariff	%	42	42	41	41	40	40	40	40	40	40
Beef mark-up	%	14	0	0	0	0	0	0	0	0	0
Pig meat tariff	%	26	25	24	24	23	22	22	22	22	22
MEXICO											
Pig meat tariff	%	48	47	47	46	46	45	45	45	45	45
Pig meat NAFTA tariff	%	8	6	4	2	0	0	0	0	0	0
Poultry meat tariff-quota	kt pw	41	41	41	41	41	41	41	41	41	41
in-quota tariff	%	50	50	50	50	50	50	50	50	50	50
out-of-quota tariff	%	240	238	235	233	230	228	228	228	228	228
POLAND											
Beef tariff-quota	kt pw	23	29	29	29	29	29	29	29	29	29
in-quota tariff	%	30	30	30	30	30	30	30	30	30	30
out-of-quota tariff	%	118	103	103	103	103	103	103	103	103	103
Pig meat tariff-quota	kt pw	42	46	46	46	46	46	46	46	46	46
in-quota tariff	%	30	30	30	30	30	30	30	30	30	30
out-of-quota tariff	%	51	48	48	48	48	48	48	48	48	48
Poultry meat tariff-quota	kt pw	30	20	20	20	20	20	20	20	20	20
in-quota tariff	%	30	30	30	30	30	30	30	30	30	30
out-of-quota tariff	%	85	76	76	76	76	76	76	76	76	76
RUSSIA											
Beef tariff-quota	kt pw	..	..	..	..	420	420	420	420	420	420
in-quota tariff	%	15	15	15	15	15	15	15	15	15	15
out-of-quota tariff	%	..	..	..	..	60	60	60	60	60	60
Pigmeat tariff-quota	kt pw	..	..	..	..	450	450	450	450	450	450
in-quota tariff	%	15	15	15	15	15	15	15	15	15	15
out-of-quota tariff	%	..	..	..	..	80	80	80	80	80	80
Poultry meat tariff-quota	kt pw	..	..	..	..	1 050	1 050	1 050	1 050	1 050	1 050
in-quota tariff	%	29	30	25	25	25	25	25	25	25	25
UNITED STATES											
Beef tariff-quota	kt pw	677	657	657	697	697	697	697	697	697	697
in-quota tariff	%	5	5	5	5	5	5	5	5	5	5
out-of-quota tariff	%	27	26	26	26	26	26	26	26	26	26
CHINA											
Beef tariff	%	44	45	40	27	21	16	16	16	16	16
Pig meat tariff	%	20	20	20	15	14	12	12	12	12	12
Sheep meat tariff	%	23	23	22	18	17	15	15	15	15	15
Poultry meat tariff	%	20	20	20	14	12	10	10	10	10	10

a) Prices and payments in market Euro's - see Glossary of Terms. b) Price for R3 grade male cattle. c) Year beginning 1 July. d) Ending 1 July 2002, replaced by basic price for storage. e) Starting 1 July 2002. f) A supplementary payment of 7 euro per head is provided for Less Favoured Areas. g) Weighted average of all bull and steers payments. h) Includes national envelopes for beef. i) Includes live trade. j) Year beginning 1 April. k) Pig carcass imports. Emergency import procedures triggered from November 1995 to March 1996, from July 1996 to June 1997, from August 2001 to March 2002 and from August 2002 to March 2003.

Note : The source for tariffs and Tariff Rate Quotas (excluding Russia) is AMAD (Agricultural market access database). The tariff and TRQ data are based on Most Favoured Nation rates scheduled with the WTO and exclude those under preferential or regional agreements, which may be substantially different. Tariffs are averages of several product lines. Specific rates are converted to ad valorem rates using world prices in the Outlook. Import quotas are based on global commitments scheduled in the WTO rather than those allocated to preferential partners under regional or other agreements. For Mexico, the NAFTA in-quota tariff on poultry meat is zero and the tariff-rate quota is unlimited from 2003.

Source: OECD Secretariat.

Annex Table 8. - OECD MEAT PROJECTIONS (a)

Calendar year		Average 1997-01	2000	2001p	2002e	2003	2004	2005	2006	2007	2008
BEEF AND VEAL (b)											
Production	<i>kt cwe</i>	26,816	26,861	26,409	27,064	26,607	26,907	26,732	26,721	26,848	27,146
Net trade	<i>kt cwe</i>	695	354	422	580	615	622	506	494	411	454
Consumption	<i>kt cwe</i>	26,086	26,460	25,562	26,588	26,257	26,284	26,258	26,272	26,423	26,669
Ending stocks	<i>kt cwe</i>	889	624	930	812	538	528	485	429	427	426
Per capita consumption	<i>kg rwt</i>	16.4	16.5	15.9	16.4	16.1	16.1	16.0	15.9	15.9	16.0
Price, Australia (c)	<i>AUD/100 kg dw</i>	218	237	307	233	250	263	277	284	275	271
Price, EU (d)	<i>EUR/100 kg dw</i>	248	260	223	236	244	253	260	256	259	264
Price, USA (e)	<i>USD/100 kg dw</i>	239	248	259	236	261	274	277	279	266	258
Price, Argentina (f)	<i>ARS/100 kg dw</i>	156	148	133	343	575	713	761	753	686	667
PIG MEAT (g)											
Production	<i>kt cwe</i>	34,535	34,953	35,100	36,089	35,954	36,489	36,895	37,261	37,537	37,847
Net trade	<i>kt cwe</i>	982	937	858	940	1,077	1,037	1,056	996	990	1,014
Consumption	<i>kt cwe</i>	33,394	33,905	34,018	34,959	34,656	35,302	35,633	36,064	36,405	36,681
Ending stocks	<i>kt cwe</i>	871	816	866	870	905	864	873	885	841	801
Per capita consumption	<i>kg rwt</i>	23.4	23.6	23.5	24.0	23.7	24.0	24.1	24.3	24.5	24.6
Price, EU (h)	<i>EUR/100 kg dw</i>	144	158	167	140	148	153	156	156	156	156
Price, USA (i)	<i>USD/100 kg dw</i>	131	137	140	102	107	127	129	113	115	129
POULTRY MEAT											
Production	<i>kt rtc</i>	31,804	32,701	33,620	34,420	34,319	34,942	35,734	35,750	36,084	36,862
Net trade	<i>kt rtc</i>	2,330	2,106	2,168	1,880	1,791	1,845	1,886	1,914	1,902	1,869
Consumption	<i>kt rtc</i>	29,478	30,633	31,453	32,429	32,549	33,095	33,847	33,835	34,181	34,993
Stock changes	<i>kt rtc</i>	-4	-37	0	111	-22	2	1	1	1	1
Per capita consumption	<i>kg rwt</i>	23.3	24.1	24.5	25.1	25.1	25.4	25.9	25.8	25.9	26.5
Price, EU (j)	<i>EUR/100 kg rtc</i>	101	98	108	98	100	99	99	100	101	102
Price, USA (k)	<i>USD/100 kg rtc</i>	130	124	130	122	128	134	137	139	140	139
SHEEP MEAT											
Production	<i>kt cwe</i>	2,730	2,835	2,671	2,613	2,636	2,648	2,620	2,597	2,576	2,580
Net trade	<i>kt cwe</i>	344	370	366	272	222	195	152	140	126	126
Consumption	<i>kt cwe</i>	2,364	2,455	2,280	2,320	2,391	2,427	2,442	2,432	2,426	2,429
Stock changes	<i>kt cwe</i>	21	10	23	21	23	26	26	24	24	26
Per capita consumption	<i>kg rwt</i>	1.9	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.8
Price, Australia (l)	<i>AUD/100 kg dw</i>	205	174	266	217	216	216	218	232	234	240
Price, Australia (m)	<i>AUD/100 kg dw</i>	87	72	146	72	74	74	69	68	65	62
Price, New Zealand (n)	<i>NZD/100 kg dw</i>	296	300	383	417	366	345	335	342	350	357
TOTAL MEAT											
Per capita consumption	<i>kg rwt</i>	64.9	66.2	65.7	67.3	66.7	67.4	67.9	67.9	68.2	68.9

a) Excludes Iceland. Carcass weight to retail weight conversion factors of 0.7 for beef and veal, 0.78 for pig meat and 0.88 for sheep meat. Rtc to retail weight conversion factor 0.88 for poultry meat. b) Do not balance due to statistical differences in New Zealand. c) Weighted average price of cows 201-260 kg, steers 301-400 kg, yearling < 200 kg dw. d) Producer price. e) Choice steers, 1100-1300 lb lw, Nebraska - lw to dw conversion factor 0.63. f) Buenos Aires wholesale price linier, young bulls. g) Do not balance due to consumption in Canada which excludes non-food parts. h) Pig reference price - EU15 starting in 1995. i) Barrows and gilts, No. 1-3, 230-250 lb lw, Iowa/South Minnesota - lw to dw conversion factor 0.74. j) Weighted average farmgate live fowls, top quality, (lw to rtc conversion of 0.75), EU15 starting in 1995. k) Wholesale weighted average broiler price 12 cities. l) Saleyard price, lamb, 16-20 kg dw. m) Saleyard price, wethers, < 22kg dw. n) Lamb schedule price, all grade average.

p: provisional; e: estimate.

Source : OECD Secretariat.

Annex Table 9. - MAIN POLICY ASSUMPTIONS FOR DAIRY MARKETS

		Average 1997-01	2000	2001	2002	2003	2004	2005	2006	2007	2008
ARGENTINA											
Dairy export tax	%	0	0	0	5	5	5	5	5	5	5
AUSTRALIA (a)											
Domestic support payment (b)	AUDc/kg	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CANADA											
Milk target price (b)	CADc/litre	56	57	58	59	61	62	63	64	65	66
Butter support price	CAD/t	5,491	5,558	5,711	5,870	6,080	6,200	6,328	6,454	6,582	6,712
SMP support price	CAD/t	4,533	4,670	4,826	4,945	5,145	5,187	5,260	5,334	5,408	5,465
Dairy subsidy	CADc/hltr	2.46	1.58	1.50	0.33	0.00	0.00	0.00	0.00	0.00	0.00
Cheese tariff-quota	kt pw	20	20	20	20	20	20	20	20	20	20
in-quota tariff	%	2	1	1	1	1	1	1	1	1	1
out-of-quota tariff	%	254	246	246	246	246	246	246	246	246	246
Subsidised export limits											
cheese	kt pw	10	9	9	9	9	9	9	9	9	9
SMP	kt pw	47	45	45	45	45	45	45	45	45	45
EU15 (c) (d)											
Milk quota (e)	mt pw	118	119	120	120	120	120	121	122	122	122
Milk target price	EUR/litre	0.319	0.319	0.319	0.319	0.319	0.319	0.310	0.292	0.274	0.265
Butter intervention price	EUR/t	3,282	3,282	3,282	3,282	3,282	3,282	3,200	3,036	2,872	2,790
SMP intervention price	EUR/t	2,055	2,055	2,055	2,055	2,055	2,055	2,004	1,901	1,798	1,747
Tariff-quotas											
butter	kt pw	85	87	87	87	87	87	87	87	87	87
in-quota tariff	%	63	66	66	66	66	66	66	66	66	66
out-of-quota tariff	%	153	144	144	144	144	144	144	144	144	144
cheese (f)	kt pw	77	102	102	102	102	102	102	102	102	102
in-quota tariff	%	43	42	42	42	42	42	42	42	42	42
out-of-quota tariff	%	108	96	96	96	96	96	96	96	96	96
SMP	kt pw	59	68	68	68	68	68	68	68	68	68
in-quota tariff	%	36	35	35	35	35	35	35	35	35	35
out-of-quota tariff	%	95	88	88	88	88	88	88	88	88	88
Subsidised export limits (a)											
butter	kt pw	420	399	399	399	399	399	399	399	399	399
cheese	kt pw	346	321	321	321	321	321	321	321	321	321
SMP	kt pw	288	273	273	273	273	273	273	273	273	273
other milk products	kt pw	1,013	958	958	958	958	958	958	958	958	959
JAPAN (e)											
Direct payments (m)	JPY/kg	..	..	10	11	11	11	11	11	11	11
Deficiency/direct payment ceiling (g)	kt pw	2,374	2,400	2,270	2,200	2,100	2,100	2,100	2,100	2,100	2,100
Milk guaranteed price (b)	JPY/litre	..	74	..	..	..	..	..	..	..	..
standard transaction price (h)	JPY/litre	..	64	..	..	..	..	..	..	..	..
deficiency payment (i)	JPY/litre	..	11	..	..	..	..	..	..	..	..
Butter stab. indicative price	'000 JPY/t	..	910	..	..	..	..	..	..	..	..
SMP stab. indicative price	'000 JPY/t	..	524	..	..	..	..	..	..	..	..
Cheese tariff (j)	%	34	31	31	30	30	30	30	30	30	30
Tariff-quotas											
Butter	kt pw	2	2	2	2	2	2	2	2	2	2
in-quota tariff	%	35	35	35	35	35	35	35	35	35	35
out-of-quota tariff	%	605	679	679	679	679	679	679	679	679	679
SMP	kt pw	116	116	116	116	116	116	116	116	116	116
in-quota tariff	%	17	16	16	16	16	16	16	16	16	16
out-of-quota tariff	%	260	275	275	275	275	275	275	275	275	275
WMP	kt pw	0	0	0	0	0	0	0	0	0	0
in-quota tariff	%	24	24	24	24	24	24	24	24	24	24
out-of-quota tariff	%	345	377	377	377	377	377	377	377	377	377

For notes, see end of the table.

Annex Table 9. - MAIN POLICY ASSUMPTIONS FOR DAIRY MARKETS (cont'd)

		Average 1997-01	2000	2001	2002	2003	2004	2005	2006	2007	2008
KOREA											
Tariff-quotas											
Butter	<i>kt pw</i>	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
in-quota tariff	%	40	40	40	40	40	40	40	40	40	40
out-of-quota tariff	%	89	89	89	89	89	89	89	89	89	89
SMP	<i>kt pw</i>	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0
in-quota tariff	%	20	20	20	20	20	20	20	20	20	20
out-of-quota tariff	%	176	176	176	176	176	176	176	176	176	176
WMP	<i>kt pw</i>	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
in-quota tariff	%	40	40	40	40	40	40	40	40	40	40
out-of-quota tariff	%	176	176	176	176	176	176	176	176	176	176
MEXICO											
Butter tariff	%	8	6	4	2	0	0	0	0	0	0
Tariff-quotas											
cheese	<i>kt pw</i>	9	9	9	9	9	9	9	9	9	9
in-quota tariff	%	50	50	50	50	50	50	50	50	50	50
out-of-quota tariff	%	132	131	129	128	126	125	125	125	125	125
SMP	<i>kt pw</i>	90	90	90	90	90	90	90	90	90	90
in-quota tariff	%	0	0	0	0	0	0	0	0	0	0
out-of-quota tariff	%	132	131	129	128	126	125	125	125	125	125
Licons social program	<i>MXN mn</i>	3,195	3,334	3,425	3,410	3,395	3,380	3,364	3,349	3,334	3,319
RUSSIA											
Butter tariff	%	20	20	20	20	20	20	20	20	20	20
Cheese tariff	%	15	15	15	15	15	15	15	15	15	15
UNITED STATES (k)											
Milk support price (b)	<i>USDC/litre</i>	23	22	22	22	22	22	22	22	22	22
Target price (l)	<i>USDC/litre</i>	0.0	0.0	0.0	38.5	38.5	38.5	38.5	0.0	0.0	0.0
Butter support price	<i>USD/t</i>	1,492	1,454	1,701	1,957	1,885	1,885	1,885	1,885	1,885	1,885
SMP support price	<i>USD/t</i>	2,228	2,227	2,079	1,947	1,984	1,984	1,984	1,984	1,984	1,984
Butter tariff-quota	<i>kt pw</i>	12	13	13	13	13	13	13	13	13	13
in-quota tariff	%	9	9	9	9	9	9	9	9	9	9
out-of-quota tariff	%	112	117	117	117	117	117	117	117	117	117
Cheese tariff-quota	<i>kt pw</i>	132	135	135	135	135	135	135	135	135	135
in-quota tariff	%	12	12	12	12	12	12	12	12	12	12
out-of-quota tariff	%	84	84	84	84	84	84	84	84	84	84
Subsidised export limits (a)											
butter	<i>kt pw</i>	26	21	21	21	21	21	21	21	21	21
SMP	<i>kt pw</i>	78	68	68	68	68	68	68	68	68	68

a) Year ending 30 June. b) For manufacturing milk. c) Year beginning 1 April. d) Prices and payments in market Euro's -see Glossary of Terms. e) Total quota, EU15 starting in 1995. f) Calendar year minimum access for Australia, New Zealand and Canada before 1995. g) Manufacturing milk eligible for deficiency/direct payments. h) Paid to producers. i) Difference between transaction price and guaranteed price. j) Excludes processed cheese. k) Year beginning 1 January. l) The counter-cyclical payment is determined as a 45% difference between the target price and the Boston class I price. m) In addition to direct payments, a compensation payment is paid - equal to 80% difference between the market price and the base price (the average price of the past three years).

Note : The source for tariffs and Tariff Rate Quotas (except Russia) is AMAD (Agricultural market access database). The tariff and TRQ data are based on Most Favoured Nation rates scheduled with the WTO and exclude those under preferential or regional agreements, which may be substantially different. Tariffs are averages of several product lines. Specific rates are converted to ad valorem rates using world prices in the Outlook. Import quotas are based on global commitments scheduled in the WTO rather than those allocated to preferential partners under regional or other agreements.

Source: OECD Secretariat.

Annex Table 10. - WORLD DAIRY PROJECTIONS (BUTTER AND CHEESE)

Calendar year (a)		Average									
		1997-01	2000	2001p	2002e	2003	2004	2005	2006	2007	2008
BUTTER											
OECD (b) (f)											
Production	kt pw	3,567	3,602	3,611	3,739	3,650	3,581	3,563	3,591	3,608	3,640
Imports	kt pw	183	197	216	219	236	242	246	251	254	257
Exports	kt pw	637	654	640	681	724	760	773	776	780	801
Consumption	kt pw	3,074	3,124	3,130	3,111	3,110	3,099	3,085	3,085	3,099	3,110
Closing stocks	kt pw	420	460	535	654	668	624	569	541	504	471
Non OECD											
Production	kt pw	3,486	3,611	3,892	3,825	4,006	4,180	4,362	4,529	4,684	4,865
Consumption	kt pw	3,906	4,082	4,320	4,253	4,493	4,698	4,889	5,054	5,209	5,409
Net trade (d)	kt pw	-454	-457	-424	-463	-488	-518	-527	-525	-526	-544
Closing stocks	kt pw	276	293	288	323	323	323	323	323	323	323
WORLD (f)											
Production (c)	kt pw	7,053	7,213	7,503	7,564	7,656	7,762	7,925	8,120	8,292	8,505
Consumption	kt pw	6,980	7,206	7,450	7,363	7,603	7,797	7,974	8,139	8,309	8,519
Closing stocks	kt pw	696	753	823	977	991	947	893	864	828	794
Price (e)	USD/100 kg	160	137	134	113	124	128	132	135	137	137
CHEESE											
OECD (b)											
Production	kt pw	12,660	12,988	13,207	13,427	13,652	13,936	14,211	14,490	14,764	15,008
Imports	kt pw	691	760	793	811	830	833	845	858	863	875
Exports	kt pw	1,107	1,144	1,190	1,210	1,173	1,193	1,251	1,272	1,284	1,308
Consumption	kt pw	12,250	12,577	12,820	13,025	13,341	13,588	13,827	14,087	14,348	14,578
Closing stocks	kt pw	635	639	628	631	598	586	565	554	550	547
Non OECD											
Production	kt pw	3,195	3,306	3,300	3,314	3,470	3,584	3,699	3,821	3,934	4,063
Consumption	kt pw	3,577	3,713	3,658	3,742	3,811	3,944	4,105	4,235	4,355	4,497
Net trade (d)	kt pw	-416	-384	-398	-399	-343	-360	-406	-414	-421	-433
Closing stocks	kt pw	1,274	1,220	1,260	1,231	1,233	1,233	1,233	1,233	1,233	1,233
WORLD											
Production (c)	kt pw	15,855	16,294	16,507	16,741	17,123	17,520	17,911	18,310	18,699	19,072
Consumption	kt pw	15,827	16,290	16,478	16,767	17,153	17,532	17,932	18,322	18,703	19,075
Closing stocks	kt pw	1,909	1,859	1,888	1,862	1,832	1,819	1,798	1,787	1,783	1,780
Price (g)	USD/100 kg	195	186	217	172	183	187	191	196	198	199

a) Year ending 30 June for Australia and 31 May for New Zealand in OECD aggregate. b) Excludes Iceland. c) Source of data is FAO. d) Non OECD net exports (imports) equals OECD net imports (exports). e) F.o.b. export price, butter, 82% butterfat, northern Europe. f) Do not balance due to statistical differences in New Zealand. g) F.o.b. export price, cheddar cheese, 40 lb blocks, Northern Europe.

p: provisional; e: estimate.

Source: OECD Secretariat.

Annex Table 11. - WORLD DAIRY PROJECTIONS (POWDERS AND CASEIN)

Calendar year (a)		Average									
		1997-01	2000	2001p	2002e	2003	2004	2005	2006	2007	2008
SKIM MILK POWDER											
OECD (b) (f)											
Production	kt pw	2,709	2,776	2,739	2,949	2,772	2,596	2,570	2,572	2,578	2,561
Imports	kt pw	262	277	257	229	285	293	299	306	315	326
Exports	kt pw	998	1,101	935	984	1,088	1,115	1,041	1,031	977	1,007
Consumption	kt pw	1,908	1,923	1,852	1,951	2,099	2,048	1,966	1,891	1,924	1,888
Closing stocks	kt pw	618	592	808	1,056	926	654	521	477	469	461
Non OECD											
Production	kt pw	701	643	605	602	663	711	772	812	862	907
Consumption	kt pw	1,394	1,571	1,255	1,336	1,465	1,534	1,514	1,536	1,523	1,588
Net trade (d)	kt pw	-736	-824	-678	-755	-803	-822	-742	-725	-662	-681
Closing stocks	kt pw	323	258	286	307	307	307	307	307	307	307
WORLD (f)											
Production (c)	kt pw	3,410	3,419	3,344	3,552	3,435	3,307	3,341	3,383	3,439	3,468
Consumption	kt pw	3,302	3,494	3,107	3,286	3,564	3,582	3,479	3,428	3,447	3,476
Closing stocks	kt pw	942	849	1,093	1,363	1,233	961	828	784	776	768
Price (e)	USD/100 kg	168	190	198	133	156	161	167	169	170	171
WHOLE MILK POWDER											
OECD (b)											
Production	kt pw	1,781	1,750	1,840	1,858	1,926	1,998	2,047	2,098	2,158	2,217
Imports	kt pw	73	84	80	78	79	77	75	73	70	68
Exports	kt pw	1,116	1,130	1,232	1,153	1,177	1,231	1,262	1,278	1,309	1,341
Consumption	kt pw	737	706	688	783	827	844	860	892	919	945
Non OECD											
Production	kt pw	1,429	1,513	1,559	1,544	1,570	1,626	1,681	1,729	1,781	1,827
Consumption	kt pw	2,470	2,585	2,710	2,619	2,669	2,780	2,869	2,934	3,021	3,099
Net trade (d)	kt pw	-1,043	-1,045	-1,151	-1,075	-1,098	-1,154	-1,187	-1,206	-1,239	-1,273
WORLD											
Production (c)	kt pw	3,210	3,264	3,399	3,402	3,496	3,624	3,729	3,827	3,940	4,044
Consumption	kt pw	3,207	3,291	3,398	3,402	3,496	3,624	3,729	3,827	3,940	4,044
Price (g)	USD/100 kg	177	182	197	139	162	169	174	177	179	179
WHEY POWDER											
Non OECD											
Net trade	kt pw	-290	-364	-365	-396	-393	-392	-396	-389	-390	-383
Wholesale price, USA (h)	USD/100 kg	46	44	42	48	53	56	57	59	62	65
CASEIN											
Price (i)	USD/100 kg	442	404	499	464	359	403	420	430	439	439

a) Year ending 30 June for Australia and 31 May for New Zealand in OECD aggregate. b) Excludes Iceland. c) Source of data is FAO. d) Non OECD net exports (imports) equal OECD net imports (exports). e) F.o.b. export price, nonfat dry milk, extra grade, Northern Europe. f) Do not balance due to statistical differences in New Zealand. g) F.o.b. export price, WMP 26% butterfat, Northern Europe. h) Edible dry whey, Wisconsin, plant. i) World price, New Zealand.

p: provisional; e: estimate.

Source: OECD Secretariat.

Annex Table 12. - OECD TRADE PROJECTIONS (a)

		Average 1997-01	2000	2001p	2002e	2003	2004	2005	2006	2007	2008
EXPORTS											
Wheat	kt	80,809	80,851	73,835	68,774	76,488	80,542	83,667	86,059	88,477	91,620
Coarse grains	kt	78,545	82,174	75,701	74,851	80,484	86,848	87,752	93,055	96,796	99,194
Rice	kt	4,854	4,960	4,738	4,959	4,871	4,927	5,000	5,027	5,108	5,177
Oilseeds	kt	33,492	35,897	35,374	30,087	31,616	32,238	31,723	32,862	33,620	33,873
Oilseed meals	kt	10,626	10,801	10,450	8,236	9,382	9,975	10,113	10,312	10,189	9,680
Vegetable oils	kt	4,340	3,580	3,955	3,873	4,159	4,516	4,370	4,448	4,586	4,650
Beef (b)	kt	5,018	5,042	5,038	5,254	5,317	5,517	5,498	5,585	5,457	5,399
Pig meat (b)	kt	2,985	3,166	3,159	3,375	3,512	3,516	3,583	3,672	3,716	3,791
Poultry meat	kt	3,866	3,833	4,134	3,951	3,897	3,973	4,079	4,148	4,203	4,258
Sheep meat (b)	kt	886	923	954	868	829	821	800	789	785	796
Butter	kt	637	654	640	681	724	760	773	776	780	801
Cheese	kt	1,107	1,144	1,190	1,210	1,173	1,193	1,251	1,272	1,284	1,308
Skim milk powder	kt	998	1,101	935	984	1,088	1,115	1,041	1,031	977	1,007
Whole milk powder	kt	1,116	1,130	1,232	1,153	1,177	1,231	1,262	1,278	1,309	1,341
Whey powder (c)	kt	290	364	365	361	358	358	362	355	355	349
IMPORTS											
Wheat	kt	22,860	21,151	29,922	25,678	25,862	26,029	26,298	26,609	26,669	26,780
Coarse grains	kt	49,624	53,138	53,384	53,982	52,619	55,017	55,138	56,066	56,831	57,116
Rice	kt	3,111	3,382	3,500	3,563	3,493	3,546	3,558	3,580	3,754	4,439
Oilseeds	kt	35,328	36,352	37,309	38,169	37,591	38,492	38,741	38,569	38,872	39,598
Oilseed meals	kt	26,613	27,269	28,502	28,734	29,477	30,334	30,946	31,374	31,997	32,239
Vegetable oils	kt	5,784	6,108	6,672	6,753	6,743	7,174	7,450	7,553	7,604	7,693
Beef (b)	kt	4,010	4,334	4,311	4,287	4,280	4,498	4,578	4,673	4,616	4,506
Pig meat (b)	kt	1,989	2,200	2,266	2,435	2,446	2,494	2,552	2,711	2,774	2,844
Poultry meat	kt	1,536	1,727	1,966	2,071	2,106	2,128	2,194	2,233	2,301	2,390
Sheep meat (b)	kt	448	464	477	490	499	515	535	533	542	550
Butter	kt	183	197	216	219	236	242	246	251	254	257
Cheese	kt	691	760	793	811	830	833	845	858	863	875
Skim milk powder	kt	262	277	257	229	285	293	299	306	315	326
Whole milk powder	kt	73	84	80	78	79	77	75	73	70	68

a) For meats, year are calendar year; for grains, meals and oils products, year are crop or marketing year; for dairy products, year are calendar year but year ends 30 June for Australia and 31 May for New Zealand in the OECD aggregate. b) Includes trade of live animals. c) Net exports.

p: provisional; e: estimate.

Source : OECD Secretariat

Annex Table 13. - MAIN POLICY ASSUMPTIONS FOR SUGAR MARKETS

Crop year (a)		Average									
		97/98-01/02	00/01	01/02p	02/03e	03/04	04/05	05/06	06/07	07/08	08/09
MAIN ASSUMPTIONS FOR SUGAR MARKETS											
ARGENTINA											
Tariff, sugar	ARS/t	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
BRAZIL											
Tariff, raw sugar	%	46.1	43.9	41.7	39.4	37.2	35.0	35.0	35.0	35.0	35.0
Tariff, white sugar	%	61.0	55.0	55.0	45.0	40.0	35.0	35.0	35.0	35.0	35.0
CANADA											
Tariff, raw sugar	CAD/t	25.0	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
Tariff, white sugar	CAD/t	36.7	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4
CHINA											
TRQ sugar	kt	..	1,680	1,680	1,764	1,852	1,945	1,945	1,945	1,945	1,945
Tariff, in-quota, raw sugar	%	20.0	20.0	20.0	20.0	20.0	15.0	15.0	15.0	15.0	15.0
Tariff, in-quota, white sugar	%	30.0	30.0	30.0	30.0	30.0	15.0	15.0	15.0	15.0	15.0
Tariff, over-quota	%	..	75.0	75.0	75.0	75.0	50.0	50.0	50.0	50.0	50.0
EU (b)											
Intervention price, white sugar	Euro/t	632	632	632	632	632	632	632	632	632	632
A quota, white sugar	kt rse	12,837	12,517	12,846	12,846	12,846	12,846	12,846	12,846	12,846	12,846
B quota, white sugar	kt rse	2,896	2,824	2,896	1,997	1,997	1,997	1,997	1,997	1,997	1,997
Tariff, raw sugar	Euro/t	356	339	339	339	339	339	339	339	339	339
Tariff, white sugar	Euro/t	440	419	419	419	419	419	419	419	419	419
INDIA											
Intervention price, raw sugar	INR/t	558	595	620	620	620	620	620	620	620	620
INDONESIA											
Tariff	%	103	101	100	98	97	95	95	95	95	95
JAPAN											
Minimum stabilisation price, raw sugar	JPY/kg	142	142	142	142	142	142	142	142	142	142
Tariff, raw sugar	JPY/kg	74.3	71.8	71.8	71.8	71.8	71.8	71.8	71.8	71.8	71.8
Tariff, white sugar	JPY/kg	106.7	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1
KOREA											
Tariff	%	20.9	20.3	19.7	19.1	18.6	18.0	18.0	18.0	18.0	18.0
MEXICO											
Tariff	%	165	163	161	159	158	156	156	156	156	156
NAFTA, common external tariff, raw sugar	MXN/t	..	3,209	3,172	3,278	3,452	3,452	3,542	3,631	3,709	3,787
NAFTA, common external tariff, white sugar	MXN/t	..	3,376	3,337	3,448	3,632	3,632	3,726	3,819	3,902	3,983
RUSSIA											
Tariff, raw sugar	%	2.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Tariff, white sugar	%	27.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
TRQ, raw sugar	kt rse	..	3,650	3,650	3,650	3,950	3,950	3,950	3,950	3,950	3,950
UNITED STATES (b)											
Loan rate, cane sugar	USD/t	397	397	397	397	397	397	397	397	397	397
Loan rate, white sugar	USD/t	505	505	505	505	505	505	505	505	505	505
TRQ, raw sugar	kt rse	1,227	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
TRQ, refined sugar	kt rse	22	22	22	22	22	22	22	22	22	22
Raw sugar second tier tariff --over quota	USD/t	351	339	339	339	339	339	339	339	339	339
White sugar second tier tariff --over quota	USD/t	370	357	357	357	357	357	357	357	357	357

a) Beginning crop marketing year - see the Glossary of Terms for definitions. b) Price based special safeguard actions apply.

The source for tariffs (except United States and Russia) is the International Sugar Organisation, *MECAS(99)16*, mainly bound tariffs. The source for Russia and United States tariffs is ERS, USDA.

rse : raw sugar equivalent

Source: OECD Secretariat.

Annex Table 14. - WORLD SUGAR PROJECTIONS (in raw sugar equivalent)

Crop year (a)		Average									
		97/98-01/02	00/01	01/02 _p	02/03 _e	03/04	04/05	05/06	06/07	07/08	08/09
OECD											
Production	kt rse	42,681	42,687	39,392	43,170	42,951	43,251	43,563	43,941	44,724	44,750
Consumption	kt rse	39,360	39,590	39,938	40,134	40,010	40,374	40,649	40,823	41,082	41,319
Closing stocks	kt rse	13,159	14,366	10,652	10,627	10,514	10,373	10,494	10,855	11,558	12,019
NON-OECD											
Production	kt rse	90,675	88,476	98,825	99,974	95,101	100,861	106,187	106,483	106,977	109,198
Consumption	kt rse	90,754	92,054	95,914	98,466	101,256	103,724	106,240	109,397	111,689	114,144
Net trade (b)	kt rse	-3,668	-1,891	-3,167	-3,061	-3,055	-3,017	-2,792	-2,757	-2,940	-2,969
Closing stocks	kt rse	45,279	46,430	52,507	57,076	56,977	56,030	55,469	56,211	56,239	56,263
WORLD											
Production	kt rse	133,356	131,164	138,217	143,144	138,052	144,112	149,749	150,423	151,701	153,948
Consumption	kt rse	130,114	131,643	135,852	138,600	141,265	144,099	146,890	150,220	152,770	155,463
Closing stocks	kt rse	58,438	60,795	63,160	67,704	67,490	66,403	65,963	67,066	67,797	68,281
Price, raw sugar (c)	USD/t	190.0	219.3	167.2	165.3	172.0	191.8	183.0	174.2	169.8	165.3
Price, white sugar (d)	USD/t	236.4	252.3	235.3	238.1	242.5	260.1	249.1	238.1	231.5	224.9

a) Beginning crop marketing year - see the Glossary of Terms for definitions. b) Non OECD net exports (imports) equal OECD net imports (exports). c) Raw sugar world price, New York No 11, f.o.b. stowed Caribbean port (including Brazil), bulk spot price, sep/aug. d) Refined sugar price, London No 5, f.o.b. Europe, spot, sept/aug.

p: provisional; e: estimate.

Source: OECD Secretariat.

ACRONYMS AND ABBREVIATION

Acronyms

ABARE	Australian Bureau of Agricultural and Resource Economics
ALIC	Agriculture and Livestock Industry Corporation
AMAD	Agricultural Market Access Database
AMS	Agricultural Marketing Service
ASEAN	Association of Southeast Asian Nations
BSE	Bovine spongiform encephalopathy
CEEC	Central and Eastern European Countries
CAP	Common Agricultural Policy (EU)
CCP	Counter-Cyclical Payments (US)
CIS	Commonwealth of Independent States
CoOI	Country-of-Origin Labelling
CPI	Consumer price index
CMO	Common Market Organisation for sugar (EU)
CRP	Conservation Reserve Program (US)
DEIP	Dairy Export Incentive Program (US)
DMLP	Dairy Market Loss Payment (US)
DPC	Direct Payments for Crops (US)
EBA	Everything-But-Arms Initiative (EU)
ECB	European Central Bank
ECU	European Currency Unit
EEP	Export Enhancement Program (US)
ERS	Economic Research Service of the US Department for Agriculture
EUROSTAT	Statistical Office of the European Communities
FAIR ACT	Federal Agriculture Improvement and Reform Act (US) of 1996
FAO	Food and Agriculture Organisation of the United Nations
FMD	Foot and mouth disease
FAS	Foreign Agricultural Service of the US Department for Agriculture
FSRI ACT	Farm Security and Rural Investment Act (US) of 2002
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GM	Genetically modified
GMO	Genetically engineered or modified plant, animal, micro-organism or virus
HFCS	High Fructose Corn Syrup
HS	Harmonised Commodity Description and Coding System
IMF	International Monetary Fund
MAF	Ministry of Agriculture and Forestry (New Zealand)
MAFF	Ministry of Agriculture, Forestry and Fisheries (Japan)
MERCOSUR	Common Market of the South
MLAP	Marketing Loan Assistance Program (US)
MLC	Meat and Livestock Commission (United Kingdom)
MFN	Most Favoured Nation
MPC	Milk protein concentrates
MTR	Mid-Term Review of the CAP (EU)
NAFTA	North American Free Trade Agreement
NIS	Newly Independent States
NME	Non-Member Economies
NTBs	Non-Tariff Barriers
NZDB	New Zealand Dairy Board
OECD	Organisation for Economic Co-operation and Development
OIE	Office International des Epizooties
OMB	Office of Management and Budget (United States)
OTMS	Over Thirty Month Scheme
PFCP	Production Flexibility Contract Payments (US)
PSE	Producer Support Estimate
R&D	Research and Development
RR	Roundup Ready seed varieties
RRAC	Relative Risk Aversion Coefficient
RTAs	Regional Trading Arrangements
SARS	Severe Acute Respiratory Syndrome
SMP	Skim milk powder
SPS measures	Sanitary and phyto-sanitary measures
STE	State Trading Enterprises
TRQ	Tariff rate quota
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational Scientific and Cultural Organisation

URAA	Uruguay Round Agreement on Agriculture
US	United States
USDA	United States Department of Agriculture
VAT	Value added tax
WMP	Whole milk powder
WPC	Whey protein concentrates
WTO	World Trade Organisation

Abbreviations and symbols

AUD	dollars (Australian)	kt	thousand tonnes
ARS	Pesos (Argentina)	L	litre
Bn	Billion	lw	live weight
CAD	dollars (Canadian)	mha	million hectares
CNY	Yuan (China)	mn	million
Cwe	carcass weight equivalent	mt	million tonnes
c.i.f.	cost insurance freight	NZD	dollars (New Zealand)
cts/lb	US cents per pound	pw	product weight
Dw	dressed weight	rse	Raw sugar equivalent
ECU	European currency unit	rtc	ready-to-cook
Euro	European currency unit	rw	retail weight
f.o.b.	Freight on board	t	tonnes
Ha	Hectare	t/ha	tonnes per hectare
JFY	Japanese fiscal year beginning 1 April	USD	dollars (United States)
JPY	Japanese yen		
Kg	Kilogram		

AGR Outlook

The ninth edition of the *OECD Agricultural Outlook*, analyses how global and domestic forces are shaping agricultural markets over the medium term. Continuing global economic weakness, compounded by drought-induced production adjustments in some countries, and government support policies are conditioning market outcomes in the near term. The interaction of these factors, together with an expected revival of the global economy in 2004 will help shape OECD and world agricultural markets up to 2008.

A weak and drawn out economic recovery and the aftermath of drought in North America and Australia have lead to divergent price trends for crop and livestock sectors. High initial crop prices and low livestock prices at the beginning of the outlook are expected to converge as production adjusts with the break in the drought. Eventually, an economic rebound and strengthening demand should lead to increased trade and firmer prices over the projection period to 2008. The evolution of domestic and trade policies will be important, but uncertain, elements in this respect. Issues addressed in the report include:

What is the role of government policies and how are they influencing farmers' decisions?

What are the likely market effects of the United States' Farm Act?

What will be the market impact of an enlarged EU-25?

How important are developments in Ukraine agriculture for world markets?

This book is essential reading for all those involved with agricultural markets. It provides the reader with valuable information on market trends and medium term prospects for the main agricultural products, including sugar on this occasion. It also shows how these are influenced by government policies and highlights some of the risks and uncertainties that may influence the Agricultural Outlook.

Tables provide detailed commodity projections to 2008 for production, consumption, trade, stocks and prices in OECD countries and selected information on other countries, including China, Argentina, the Russian Federation and Brazil.

ALSO AVAILABLE ON CD-ROM AND ON LINE

To access the complete database, which contains series going back as far as 1970 and selected results for the scenarios discussed in this publication, consult the *OECD Agricultural Databases*, available on CD-ROM and on line at www.SourceOECD.org.

www.oecd.org/agr