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World Output Recovers

World output of food products in 1966 resumed the long-term uptrend, increasing about 4 percent (excluding Mainland China), compared to the world population increase of about 2 percent. Principal gains in world agriculture in 1966 were among the food commodities--new production records were set for cereals, edible oilseeds, and sugar. The gain in the output of livestock food products almost matched the gain in population. There was a large decline in world output of coffee (table 12).

During the past decade, food production has increased at a faster rate in the less-developed countries than in the developed countries, but the per capita trend in the less-developed countries has been dampened by a high rate of population growth (fig. 4). In the past decade there was some improvement in per capita food production in India until the severe drought of 1965. In 1966, per capita production recovered somewhat from the extremely low 1965 level. However, food shortages continue in India because of stock depletion and crop failure in several localities.

Per capita food production in other less-developed countries of Asia in 1966 continued the general uptrend of the past decade. Drought, tribal conflict, and widespread political instability caused a decline in per capita production in the less-developed countries of Africa for the third year in a row. Largely because of drought and poor harvest weather, per capita food production fell in Latin America in 1966, following a period of improvement during 1961-65.

Cereals

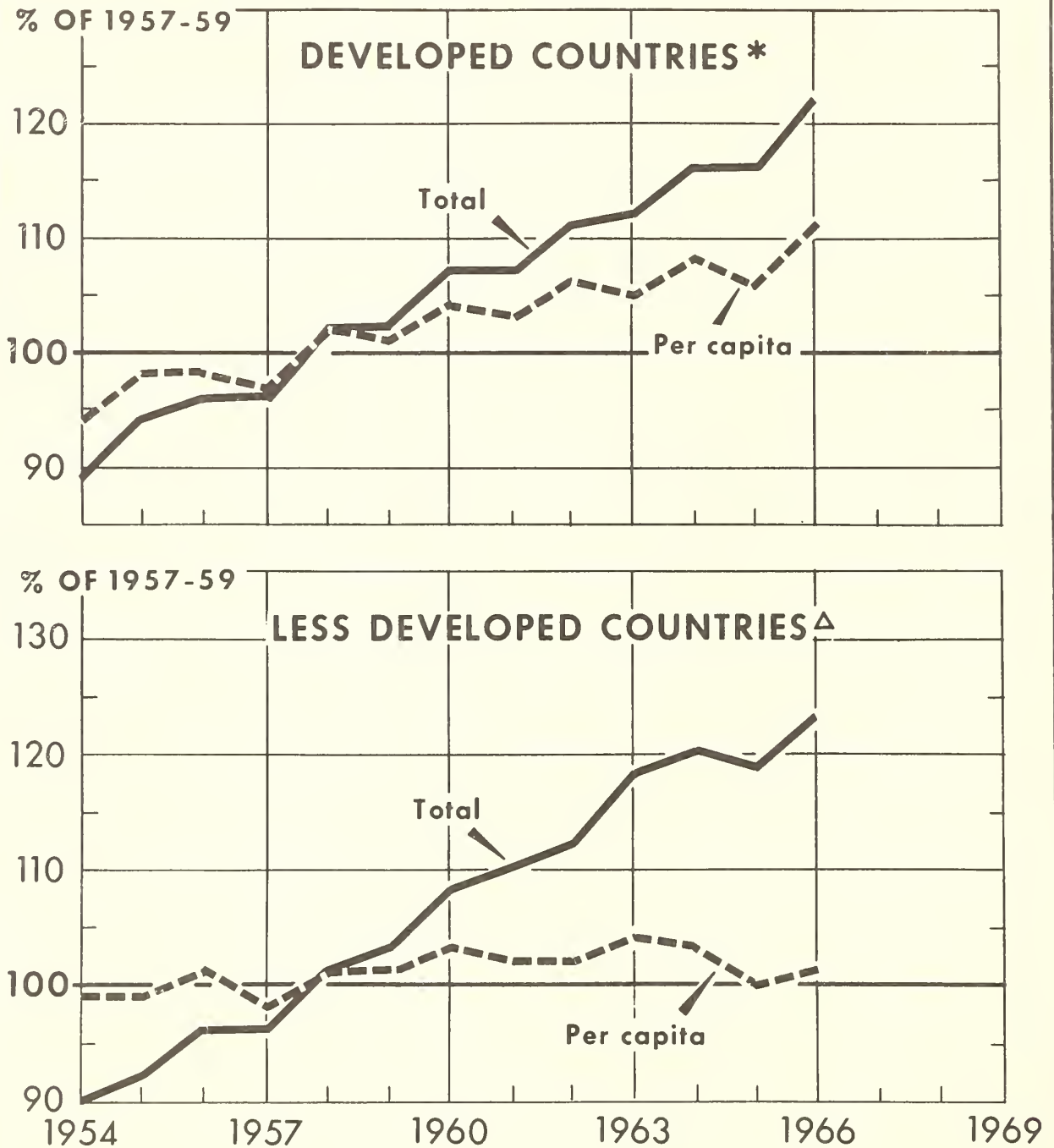
World cereal production increased more than 5 percent in 1966, following no gain in 1965. Wheat output rose more than 10 percent, with record crops in the USSR, Canada, and Australia. Although import requirements are expected to remain high in India and Mainland China in 1967, the import requirements of Eastern Europe have been reduced sharply and the USSR likely will again become a net exporter of wheat. World wheat stocks should increase in 1967, following a decline in 1966.

Output of rice, which declined in 1965, is estimated for 1966 at about the same level as the 1964 crop. Rice production declined in Mainland China, recovered somewhat in India and Pakistan, and reached a record level in Japan. Because of increased domestic consumption and a crop about the same as last year, export availabilities in the Southeast Asian rice bowl are expected to be down in 1967. Wheat and other grains will continue to fill the gap between the world supply and demand for rice.

1/ Prepared by Foreign Regional Analysis Division, ERS.

Reprinted from the National Food Situation, NFS-119, February 1967, by the Economic and Statistical Analysis Division, Economic Research Service.

WORLD FOOD PRODUCTION: TOTAL AND PER CAPITA



* NORTH AMERICA, EUROPE, USSR, JAPAN, REPUBLIC OF SOUTH AFRICA, AUSTRALIA, AND NEW ZEALAND.

Δ LATIN AMERICA, ASIA EXCEPT JAPAN AND COMMUNIST ASIA, AFRICA EXCEPT REPUBLIC OF SOUTH AFRICA.

Figure 4

Table 2.--Estimated world production of selected agricultural commodities, average 1955-59, annual 1963-66

Commodity	Unit	Average 1955-59	1963	1964	1965	1966 ^{1/}	% change ^{2/} --	
							1955-59	1966
							Percent	
Wheat	: Million tons	216	226	256	247	274	27	11
Rye	: Million tons	37	30	32	34	31	-17	-9
Rice, rough ^{3/} ^{4/}	: Million tons	214	242	249	241	250	17	4
Corn ^{4/}	: Million tons	167	206	197	207	217	30	5
Barley	: Million tons	71	88	94	92	99	39	8
Oats	: Million tons	59	46	42	44	44	-27	-1
Sorghum & millet ^{5/}	: Million tons	28	35	34	34	41	45	20
Sugar, centrifugal	: Million tons	45.0	54.3	65.9	62.4	66.0	47	6
Sugar, non-cent. ^{6/}	: Million tons	6.7	8.4	8.9	7.9	8.4	25	7
Fruits, citrus	: Million tons	14.5	16.6	18.1	19.6	23.7	63	21
Apples & pears ^{7/}	: Million tons	12.8	17.4	18.2	16.5	17.4	36	5
Potatoes ^{8/}	: Million tons	232	236	246	230	232	0	1
Dry beans ^{9/}	: 1,000 tons	4,014	5,035	4,989	4,899	4,899	22	0
Dry peas ^{10/}	: 1,000 tons	603	581	567	522	494	-18	-5
Hops ^{11/}	: 1,000 tons	71	91	93	92	93	31	1
Soybeans	: Million tons	24	28	28	32	35	43	8
Peanuts	: Million tons	13.4	15.2	16.2	15.6	15.9	18	2
Cottonseed	: Million tons	19.3	21.8	22.6	23.2	21.3	10	-9
Flaxseed	: 1,000 tons	3,358	3,469	3,317	3,563	2,966	-11	-16
Sesame seed	: 1,000 tons	1,473	1,544	1,547	1,437	1,516	3	5
Castor beans	: 1,000 tons	497	684	838	713	653	31	-8
Sunflowerseed	: 1,000 tons	5,125	6,125	7,741	7,477	8,328	62	11
Rapeseed	: 1,000 tons	3,483	3,424	3,544	4,784	4,300	23	-10
Olive oil	: 1,000 tons	^{12/} 990	1,699	982	1,206	1,289	30	7
Palm oil	: 1,000 tons	1,265	1,261	1,270	1,275	1,279	1	0
Palm kernel oil	: 1,000 tons	421	372	381	367	376	-11	2
Coconut oil	: 1,000 tons	2,074	2,195	2,209	2,141	2,245	8	-5
Butter ^{13/}	: 1,000 tons	^{14/} 4,581	4,899	4,989	5,307	5,443	19	3
Milk ^{15/}	: Million tons	^{14/} 259	282	285	293	298	15	2
Meats ^{16/}	: Million tons	44.5	51.3	51.6	52.2	52.6	18	1
Eggs ^{17/}	: Million tons	10.8	12.2	12.7	12.9	12.9	19	0
Lard	: 1,000 tons	^{14/} 3,080	3,180	3,030	3,121	3,084	0	-1
Tallow & greases	: 1,000 tons	^{14/} 2,930	3,706	3,996	3,887	3,969	35	2
Tobacco	: 1,000 tons	3,864	4,357	4,637	4,447	4,536	17	2
Coffee	: Mil. bags ^{18/}	58.3	71.0	51.3	81.1	64.1	10	-21
Tea	: 1,000 trs.	739	884	925	936	987	34	5
Cocoa beans	: 1,000 tons	887	1,237	1,504	1,227	1,389	57	13
Cotton	: Mil. bales ^{19/}	43.9	50.1	52.0	53.0	48.2	10	-9
Wool	: 1,000 tons	^{14/} 2,443	2,640	2,620	2,624	2,657	9	1
Jute	: 1,000 tons	^{14/} 2,087	2,421	2,322	2,237	2,489	19	11
Sisal	: 1,000 tons	532	676	705	639	645	21	1
Henequen	: 1,000 tons	135	151	163	164	164	21	0
Abaca	: 1,000 tons	117	119	112	106	100	-15	-6

Note: Except for rice, corn, and sorghum & millet, the data are as published by FAS. Statistics for sorghum & millet are official estimates for 9 countries compiled by ERS. Statistics refer either to calendar years or to crop years beginning in the year shown. For livestock products, rice, corn, sorghum & millet, potatoes, hops, oilseeds, (except cottonseed), oils (except olive oil) and tobacco, tea, jute, and hard fibers, the data refer to calendar years. For coffee and cocoa beans the data refer to crop years beginning July to October of the year shown. For cotton and cottonseed the data refer to crop years beginning August 1 of the year shown. For sugar the data refer to production in national sugar campaigns beginning between May 1 of the year shown and April 30 of the following year. For other commodities, harvests in the Northern Hemisphere beginning in the year shown are combined with Southern Hemisphere harvests which immediately follow.

^{1/} Preliminary. ^{2/} Computed from unrounded data. ^{3/} Includes Mainland China; excludes Nepal, North Korea and North Vietnam. ^{4/} FAS estimates adjusted to calendar years. ^{5/} 9 countries; calendar years. ^{6/} Selected countries only. ^{7/} Dessert and cooking; 20 countries. ^{8/} 32 countries. ^{9/} 30 countries. ^{10/} 10 countries. ^{11/} 21 countries. ^{12/} 1954/55-1957/58 average. ^{13/} Product weight; includes ghee. ^{14/} 1956-60 average. ^{15/} 35 countries. ^{16/} 44 countries; excludes poultry and variety meats. ^{17/} 38 countries. ^{18/} 69 kg. (132 pounds) each. ^{19/} Bales of 480 pounds net.

Although there was no increase in coarse grain production in the United States--the world's largest producer--global output of coarse grains set a new record in 1966. Production increased in Western Europe, Eastern Europe, the USSR, and Latin America.

Edible Oilseeds

Despite a significant decline in production of cottonseed, world production of edible oilseeds (in terms of oil) increased more than 5 percent to a new high in 1966. Record crops of soybeans and sunflowerseed were harvested and the output of olive oil rose about 7 percent. The decline in world output of cottonseed was caused primarily by the diversion of cotton acreage in the United States. In 1966, world soybean and sunflowerseed crops were about 45 percent and 60 percent larger, respectively, than the average levels of 1955-59.

Other Food Crops

World production of sugar in 1966/67 is expected to surpass the record set in 1964/65. Production will exceed consumption for the third year in a row and yearend stocks should be equivalent to about 5 months consumption requirements. Contributing to the increase in production were larger 1966 crops in the USSR, the Republic of South Africa, and Western Europe and an expected recovery in the Cuban sugar crop to be harvested in the first half of 1967.

The citrus crop was one-fifth larger than in 1965 and almost two-thirds above the 1955-59 average.

Production of potatoes and beans failed to increase in 1966.

Livestock Food Products

Output of livestock food products in 1966 continued the long-term gradual uptrend. The production of pork remained at the 1965 level but the output of other meats increased with poultry meat again registering the fastest rate of gain. Milk production increased in Western Europe, Eastern Europe, the Soviet Union, Latin America, and Oceania but declined in North America.

World Prices

World agricultural prices, as measured by either the Reuter's or the Dow-Jones spot index, have continued to decline about 5 percent a year from the high levels attained during 1963, although the decline has been interrupted by seasonal pickups. In 1966 such a pickup occurred relatively early in the year, but average prices in the fall were relatively low. The index of world agricultural export prices declined gradually from 108.7 in the first quarter of 1964 to 100.8 in the third quarter of 1965, but rallied to 103.8 in the second quarter of 1966.

Table 13.--Expenditures for food as a proportion of private consumption expenditures, by countries, 1955 and 1960-64 1/

Country	1955	1960	1961	1962	1963	1964
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
<u>North America</u>						
Canada	23.1	23.0	22.5	22.3	21.9	21.5
United States 2/	22.6	21.3	21.2	20.7	20.2	19.8
<u>Latin America</u>						
Dominican Republic	50.2	49.6	48.4	43.9	47.4	47.9
Ecuador	48.3	43.9	44.1	44.0	44.2	43.9
Honduras	49.9	43.7	43.8	43.2	42.5	---
Jamaica	40.6	36.1	35.9	34.9	33.3	33.0
Panama	3/42.1	40.2	44.8	40.6	42.4	42.3
Puerto Rico	33.0	28.7	27.6	27.3	25.8	25.2
Trinidad and Tobago	37.5	35.4	36.4	36.6	---	----
<u>Western Europe</u>						
Austria	38.4	34.1	33.0	32.9	31.5	31.6
Belgium	29.1	27.5	27.4	27.5	26.5	26.0
Denmark	27.6	23.4	22.4	21.9	22.8	22.0
Finland	34.8	33.9	32.7	31.5	31.5	31.2
France	3/34.0	31.6	31.0	30.8	30.2	29.4
Greece	48.9	44.6	43.0	43.4	---	---
Ireland	38.3	36.4	35.3	34.5	33.2	32.2
Italy	46.8	44.6	44.1	43.1	42.7	42.3
Luxembourg 4/	3/34.7	37.6	37.3	36.8	35.2	---
Malta	40.8	34.6	34.7	35.1	36.8	35.1
Netherlands	33.7	30.6	31.0	30.2	29.8	29.4
Norway	31.6	30.0	28.9	29.6	28.3	29.0
Spain	34.3	37.5	36.9	36.6	37.4	36.5
Sweden	30.0	27.3	26.5	27.1	26.7	26.1
United Kingdom 2/	31.2	28.4	27.9	27.6	26.8	26.3
<u>Eastern Europe</u>						
Hungary	---	38.9	39.3	38.6	37.3	36.8
Yugoslavia	53.2	44.8	43.2	45.8	44.7	46.4
U.S.S.R.	5/50.1	---	---	---	---	---
<u>Africa</u>						
Ghana	48.8	47.3	48.3	51.6	54.4	58.7
South Africa	30.4	29.5	29.5	28.6	27.7	27.3
<u>Asia</u>						
Ceylon	3/53.9	48.6	49.1	49.7	51.6	50.0
China (Taiwan) 5/	57.8	53.3	52.4	51.9	52.1	50.8
Israel	34.4	32.8	31.8	30.9	29.8	29.1
Japan 6/	53.5	46.8	45.8	43.4	43.4	42.1
Korea, Republic of	51.8	48.1	50.3	49.2	54.9	58.5
Malaysia	---	45.6	46.8	46.4	46.3	---
Thailand	---	45.2	45.0	45.1	43.5	---
Viet Nam	---	49.8	46.1	49.4	50.0	48.2
<u>Oceania</u>						
Australia 2/	25.5	23.8	23.5	22.9	22.3	22.4

1/ Total expenditures, defined as those of households and private nonprofit institutions, include expenditures of residents abroad. Food expenditures, excluding beverages unless otherwise indicated, include amounts purchased by nonresidents. As a proportion of disposable personal income, U.S. food expenditures in 1964 equalled 18.4 percent. 2/ Food includes nonalcoholic beverages. 3/ Not strictly comparable with data for later years. 4/ Includes beverages beginning 1960. 5/ Food includes all beverages. 6/ Food data include beverages and tobacco.

United Nations, Yearbook of National Accounts Statistics, 1965, except datum for U.S.S.R. from A. Bergson and S. Kuznets, Economic Trends in the Soviet Union, Harvard University Press, 1963, p. 361.

Retail food prices during the year ended June 30, 1966, were 4.2 percent higher in the United States and 5.4 percent higher in Canada than a year earlier. Only in France, the United Kingdom, and Italy did retail food prices increase less than in the United States. Increases in 6 other free world countries exceeded those in the United States, with Brazil (42 percent), Argentina (35 percent), and India (8 percent) in the lead.

Expenditures for food 2/

Expenditures for food accounted for a smaller share of total private consumption expenditures in the United States than in any other country of the world for which data are available (table 13). Canada, Denmark, and Australia were not far behind the United States. These data show that U.S. expenditures for food amounted to 19.8 percent of private consumption expenditures in 1964. In that same year, food expenditures accounted for 18.4 percent of disposable personal income. The comparison of food expenditures with income is most commonly used for U.S. data in this report, but they are not available on this basis for most foreign countries.

Food expenditures as a proportion of private consumption expenditures were reduced by North and most South American and Western European countries between 1963 and 1964. Dominican Republic, Austria, and Norway were exceptions. In the 2 countries of Eastern Europe for which data are available, Hungary spent relatively less and Yugoslavia more for food in 1964 than in 1963. The 2 African countries listed also showed dissimilar trends. South Africa, whose proportion spent on food is comparable to the lowest rates of the Western European countries, continued to lower the proportion spent on food while Ghana's food expenditures have taken an increasing proportion since the low of 47 percent attained in 1960. The proportion spent on food in Ceylon, China, Israel, Japan, Malaysia, and Thailand has continued downward. In Korea, the proportion has risen rapidly since 1962 to 58 percent in 1964. This proportion is exceeded only by that of Ghana.

2/ Prepared by Food Consumption Section, ESAD, ERS.

