

INTERNATIONAL GRAINS COUNCIL

REPORT FOR FISCAL YEAR 2009/10



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January 2011

FOREWORD

The International Grains Council (IGC) is an intergovernmental organization concerned with grains trade. It administers the Grains Trade Convention, 1995. The IGC Secretariat, based in London, also services the Food Aid Committee, established under the Food Aid Convention, 1999.

This report covers the activities of the International Grains Council and its Committees during the fiscal year ending June 2010. The Council approved the text of the report for publication at its 32nd Session in December 2010. The account of the activities of the Food Aid Committee in 2009/10 on pages 18 to 21 was approved at that Committee's 103rd Session in December 2010.

Further information about the activities of the International Grains Council and the Food Aid Committee, and the history and scope of the two Conventions, is available on the IGC and Food Aid Convention websites (www.igc.int and www.foodaidconvention.org) or may be obtained from the Secretariat.

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Notes

- *All figures in tons refer to metric tons.*
- *"m." stands for "million".*

HIGHLIGHTS OF IGC AND FAC ACTIVITIES IN 2009/10

International Grains Council

- Introduces full coverage of rice supply and demand following 1 July 2009 change to GTC grains definition.
- Further expands data on trade in oilseeds and products and launches weekly Oilseeds Market Bulletin.
- Round Table discusses relationship between grain prices and retail prices of bread and other key food products.
- IGC Conference in June 2010 with theme “The new decade: towards greater market stability?”
- World grain supplies reach third successive record but growth in consumption, especially industrial uses, remains strong.
- International grain prices mostly weaken, but exchanges stay volatile.
- Medium-term projections suggest ample wheat supplies but tighter markets for maize.
- Further improvements to member website.
- Council warmly accepts Australian government invitation to hold December 2010 Session and International Grains Forum in Perth.

Food Aid Committee

- Members intensify and accelerate preparatory work for a new Convention which would more effectively provide appropriate food assistance to those with identified needs*.
- Committee notes that while international prices of food staples had fallen from their 2007/08 peaks, they were still volatile and local market prices remained high in some developing countries, especially in sub-Saharan Africa.
- Members inform Committee of their responses to current food emergencies, notably in Ethiopia, Sudan, the Sahel region and Haiti.
- At a time of tight budgetary conditions, donors concentrate their resources on the greatest emergencies and the most immediate life-saving interventions.
- Discussion of recent international food security initiatives include G-8 meetings and “Dublin Dialogue”.
- FAC food aid operations in 2009/10 amounted to 7.0m. tons, well above members’ combined minimum commitments, but down from the previous year’s 7.8m.

*At the Committee’s 103rd Session, on 14 December 2010, members agreed to begin the formal process to renegotiate the Food Aid Convention, 1999.

INTERNATIONAL GRAINS COUNCIL

Meetings and conferences

The **International Grains Council** (IGC), whose membership is listed in Appendix 1, held two sessions, both in London, in 2009/10. The Thirtieth session was on 10 December 2009 and the Thirty-first on 7 June 2010. Mr Matthew Koval (Australia), Council Chairman for 2009/10, presided over the meetings.

The Council considered the situation and outlook for markets of grains, rice and oilseeds on the basis of detailed Secretariat presentations and information from members, who also referred to the latest developments in their grains policies. The Council reviewed progress with the Secretariat's 2009/10 work programme, and considered and approved the programme for 2010/11. Among various administrative and financial matters, it adopted its budget for fiscal 2010/11 and oversaw arrangements for the IGC Conference in London in June 2010.

At an informal **Round Table** discussion held in conjunction with the December 2009 Session, representatives from the milling and baking industries of South Africa, the United States and the EU exchanged views on the relationship between grain prices and the retail prices of bread and other key food products, with particular reference to the price surge in 2007-08.

The 2010 **IGC Grains Conference** was held on 8 June 2010. Its theme was "The new decade: towards greater market stability?" Eleven speakers, representing key industry sectors from Australia, Italy, Kenya, China, the United States, the Russian Federation, France and the United Kingdom, set out their perspectives on current challenges and likely future trends in the global grain and oilseed economy.

The **Executive Committee** (membership listed in Appendix 1) met on 20 October 2009 and 5 May 2010. The meetings were chaired by Mr Koval. The Committee agreed the agendas for the Council sessions, and considered the budget proposals for 2010/11 as well as other financial and administrative questions. It reviewed the Secretariat's progress with the 2009/10 work programme and discussed elements which might be included in the programme for 2010/11. The Executive Director informed the Committee about his contacts with potential new member countries.

The **Budget Committee** (membership: Argentina, Australia, Canada, Cuba, Egypt, European Union, Japan, Russian Federation and the United States) met on 13 April 2010 under the chairmanship of the Council Chairman. The Committee reviewed the Executive Director's 2010/11 budget proposals prior to their consideration by the Executive Committee and adoption by the Council.

Chaired by the Executive Director and open to all Council members, the **Market Conditions Committee** (MCC) keeps market conditions and short-term prospects for grains and oilseeds under review in the period between Council sessions. Each MCC meeting features one or more expert presentations, while member governments are asked in turn to explain the grain situation and policies in their own countries. The Committee met twice in 2009/10: on 2 October 2009 and on 9 March 2010.

In October 2009 Mr Mitsuaki Shindo (Deputy Director, Rice Policy Planning Division, Ministry of Agriculture, Forestry and Fisheries, Tokyo) informed the Committee of recent rice developments in Japan, and Mr Mark Andersen (Director of the U.S. Soybean Export

Council, Amsterdam) made a presentation on the global trade in soyabeans and soyabean meal. In March 2010 Ms Caroline Pottier and Mr Gijs Schilthuis (European Commission) described the grain and oilseed situation in the EU, and Mr Jeffry Kuijpers (Associate Director, Commodities, CME Group) illustrated developments in wheat futures contracts traded on the Chicago Mercantile Exchange. At the same meeting the Government of Pakistan provided written information on the wheat situation in that country.

The MCC also reviewed progress with relevant items of the Secretariat's 2009/10 work programme including in particular the establishment of data-bases for rice and oilseeds. Other topics included the five-year running projections of grain supply and demand, the compilation of comprehensive data on wheat flour production and the analyses of trends in the feed use of grains and oilseeds and in industrial uses of grain, especially starch and biofuels. Updated estimates of sowings of GM grain and oilseed crops were provided by the Secretariat.

A panel of **freight experts** holds regular meetings, which any Council member may attend, to review developments in ocean freight rates for grain and related matters. The panel's discussions were reported to each MCC meeting and Council session in 2009/10.

Observers from five non-member countries and territories (Brazil, Chinese Taipei Separate Customs Territory, Indonesia, Iraq and Saudi Arabia) attended Council sessions in 2009/10. Observers from WFP, FAO, OECD, and the WTO made statements to the Council about their recent activities.

Appendix 3 lists the **international meetings** and grain-related events attended by the Executive Director and members of the Secretariat in 2009/10, together with the subjects of the Secretariat's presentations.

Review of grain market developments and work programme

Market review and discussions

The following paragraphs briefly summarise the global grains, rice and oilseed developments during fiscal 2009/10, which formed the background to members' discussions on market conditions and prospects. The statistics have been updated to take account of the latest available data.

Wheat and coarse grains

After large harvests, especially of maize, world grain supplies reached a third successive record in 2009/10. Consumption growth continued to be relatively strong, driven, as before, by US demand for maize-based ethanol. Human food use of grains was little changed from 2008/09, and animal feed use growth was also subdued, due to global economic difficulties and strong competition in the feed sector from oilseeds and co-products of grain processing. Global grain stocks rose sharply again in 2009/10, reaching levels not seen since the beginning of the decade. World grain trade fell from the previous year's record but remained comparatively high. Demand from Far East Asia and sub-Saharan Africa was strong, but Europe, North Africa and Near East Asia imported less after improved crops. Grain export prices reflected the easing supply situation and futures markets, although still frequently influenced by external factors, they were less volatile than in the previous two seasons.

At 1,787m. tons, world grain **production** was only 14m. short of the 2008 record, and 90m., tons more than any previous year. *Wheat* production fell by 9m. tons, to 677m. Areas were slightly up from 2008, but average yields did not match that season's exceptional levels. Larger harvests in China, India, Pakistan, Near East Asia and North Africa outweighed reduced output in most of the main exporting countries, where supplies of high-quality milling wheat remained comparatively tight. World *maize* production reached a record 811m. tons, 13m. more than the previous year. Although poor weather delayed the US harvest, yields set a new record and the crop was an all-time high of 333m. tons. EU production was reduced by hot weather, while China's was affected by dry conditions. Although some farmers in Argentina and Brazil switched to soyabeans, maize crops in both countries were considerably larger than in 2008 after much better yields. World *barley* production totalled 149m. tons, 6m. less than in 2008, some EU farmers having planted rapeseed instead of spring barley. Production in Russia and Canada was lower than in 2008 but North Africa had unusually big harvests. World *sorghum* production fell for the second successive year, with reduced crops in the US, India and Sudan. The world *rye* crop was similar to 2008 but *oats* output decreased, mainly because of a small harvest in Canada.

World grain **consumption** continued to grow rapidly in 2009/10, reaching 1,759m. tons, 35m. (2.0%) above the previous year's record. As before, the increase was largely driven by demand for grain for *industrial purposes*, which reached 274m. tons, 30m. up from 2008/09. Just over half (148m. tons) was for the manufacture of ethanol. The US alone used 116m. tons of maize for ethanol, six times as much as in 2000/01. Worldwide, a record 91m. tons of grains was used to make starch, while the amount for brewing rose slightly, to 34m. The use of grains for *human food* increased by 3m. tons to 611m., in line with recent trends, More wheat and maize, but less sorghum, was used for food than in 2008/09. *Animal feed* use of grains dropped marginally, to 749m. tons as global financial problems weakened the livestock sector's demand for feed. Grain use in industrialised countries was also affected by the rising availability of alternative ingredients, including high-protein oil meals and co-products from industrial processes, but in some developing countries lower prices of maize and feed wheat encouraged their greater use.

Global **carryover stocks** in 2009/10¹ increased by 29m. tons, reaching 401m., the highest since 2002. Because of a sharp rise in the US, combined stocks in the major grain exporting countries² were up by 9m. tons, to 160m. However, there were also big gains in China and India. World *wheat* carryovers increased by 27m. tons, and coarse grains rose by 1m., with a small reduction in *maize* stocks outweighed by a rise in barley, largely due to a recovery in the EU.

Global **trade** in grains, at record levels in each of the previous two seasons, fell by 9m. tons in 2009/10 (July/June), to 240m. Near East Asia and North Africa imported less wheat and barley after their big harvests, while the EU's requirements for feed grains and lower-quality wheat from CIS countries were also reduced. World *wheat* imports, which had been exceptionally large in 2008/09, fell by 9m. tons, to 127m., still the second highest on record. Far East Asia, where purchases of feed-quality wheat increased, was the chief exception to the lower trend. July/June shipments by Argentina, the EU, Ukraine and the US were lower than in 2008/09, but Australia, Canada, Kazakhstan and Russia shipped more. Turkey's exports were unusually large. Combined wheat shipments by CIS countries represented 29% of world trade, slightly more than in 2008/09.

Maize trade increased by 2m. tons, to 86m. China, not usually an importer, bought some maize to dampen internal price rises, and there were gains too for Mexico, Venezuela, Japan and South Korea. US exports increased by 11% to 51m. tons. Argentina's sales were

¹ Respective crop years.

² Argentina, Australia, Canada, the EU, Kazakhstan, Russia, Ukraine and the US.

larger and Ukraine maintained a high level of shipments, but all other exporting countries sold less maize than in 2008/09.

World trade in *barley*, unusually large in 2008/09, fell by 3m. tons, to 17m. The decline was all in feed barley, trade in malting varieties increasing by 10%, to almost 4m. tons. Iran and Syria bought much less than in the previous year and good crops in Algeria and Tunisia reduced their import needs, but Libya's imports were higher than usual and China's purchases increased. Ukraine remained the largest barley exporting country. EU exports fell sharply and those by Russia and Canada were also smaller. World *sorghum* trade declined slightly, to 6.2m. tons. Mexico and Japan both increased their purchases, but shipments to the EU and African countries were much smaller than the year before. The US provided two-thirds of world sorghum exports, similar to the previous year; sales by Argentina were higher but Australia's were lower.

Good harvest prospects, especially in the northern hemisphere, kept grain **export prices** weak in the first part of the 2009/10 season. Their subsequent limited recovery was due less to changes in grain supply/demand fundamentals than to outside factors including currency movements, flows of investment funds and the strength of other commodity markets. Relatively tight supplies kept prices of higher-protein spring wheat firm in the second half of the season but hard winter wheat prices retreated, narrowing their premium over soft wheat prices, whose strength reflected relatively small availabilities at US Gulf ports. At the end of June 2010 US Hard Winter wheat (fob Gulf ports) was quoted at \$181/ton, its lowest for over four years.

Maize export prices also moved in a comparatively narrow range. They were lowest early in the season, but weather concerns in the Midwest sent US No. 3 Yellow Corn, fob Gulf as high as \$193/ton in January 2010. Prices did not significantly weaken until it became apparent, in mid-2010, that the US crop would again be very large. *Sorghum* export prices remained close to those of maize throughout the season. *Feed barley* export prices were generally weak on ample supplies, dipping to the lowest for four years (\$129/ton for EU feed) in early June 2010. EU *malting barley* export prices also fell for much of the season retaining, however, a premium of around \$20/ton over feed varieties.

Ocean freight rates for grains in 2009/10 were supported by the continued high level of grains and oilseeds trade, and China's strong demand for a number of commodities. The improved profitability of ocean shipping stimulated a surge in orders for new vessels.

Rice

World rice production in 2009/10 declined for the first time in seven years, but the global crop of 440m. tons was still the second largest ever. India harvested less after an erratic monsoon, but China's output set another record. Rice consumption continued to increase, though at a slower rate than previously. Global stocks were modestly higher, at 93m. tons. With ample supplies in the leading exporting countries, export prices for most grades tended to decline, except in late 2009 when they were temporarily buoyed following particularly large import tenders by the Philippines. At the end of June 2010 the export price of Thai white rice (2nd grade) was \$460/ton, \$116 lower than a year before.

Oilseed trade

With the major northern and southern hemisphere producers bringing in exceptional crops, world **soybean** output in 2009/10 increased by more than 20%, to 259m. tons. Trade was a

record 93m. tons, 16m. more than in 2008/09. Although China's crop was reasonably large, high domestic prices made imports more profitable for processors: they rose to 52.8m. tons. EU purchases were smaller than those of 2008/09 but demand by Latin American importers increased, as did imports by Turkey. The US exported nearly 42m. tons, and Argentina shipped more than in 2008/09, but Brazil's exports fell. Trade in **rapeseed/canola** dropped marginally from the 2008/09 record, to 11.1m. tons. Shipments to the EU and China declined, but Japan and Pakistan bought more.

Prospects for 2010/11

At its June 2010 session, the Council reviewed the outlook for world markets in grains, oilseeds and rice in 2010/11³. At that time, prospects for *wheat and coarse grains* production were mostly favourable, suggesting a balance between total grain supplies and projected demand, and little change in stocks. Production of *wheat* was expected to decline to some extent but, because of ample carry-in stocks, global supplies were forecast to be similar to 2009/10. Another record *maize* crop was forecast, but global consumption would also increase, resulting in some reduction in ending stocks. While the use of maize and other grains in the bio-ethanol sector would again rise significantly, the growth rate would continue to slow. Some increase was expected in maize and barley shipments in 2010/11, reflecting strengthening international feed demand. Wheat trade was considered likely to stay at around 120m. tons. Members also considered the global *rice* situation, based on the Secretariat's first comprehensive supply and demand estimates. Despite the reduced 2009/10 crop, supplies remained ample. World trade in rice in calendar 2010 was forecast to rise by 5% due mainly to higher imports by the Philippines and other Asian countries. World trade in *oilseeds* was also expected to grow in 2009/10 (October/September), with significant increases in soyabeans and meal partly offset by a reduction in rapeseed/canola.

Analytical work and special studies

In approving the work programme for 2009/10 at its June 2009 Session the Council recognised that the inclusion of rice and oilseeds in the IGC's commodity coverage had greatly increased the Secretariat's regular economic and statistical workload. Members emphasised that the priorities were to maintain and enhance the daily, weekly and monthly reporting of global grain, rice and oilseed market developments, and to provide estimates and forecasts of supply, demand and trade in those commodities. Taking also into account the preparations for Council and Committee meetings⁴, the annual Conference and round table, and presentations at various international meetings, other analytical work or special studies should only be carried out when they did not detract from the main focus.

In fact, work advanced on most of the topics listed in the 2009/10 programme although, as in previous years, it was sometimes hampered by difficulties in obtaining necessary information, whether from the private sector, government departments or other official bodies. This problem frustrated, for example, the Secretariat's attempts to compile the comprehensive data series needed to assess future trends in industrial **wheat flour production**. Faster progress was made with the estimates of industrial uses of grain, in particular **starch production**, tentative projections up to 2014/15 being presented to the Market Conditions Committee in October 2009, and **biofuels**. Particular attention was given to trends in the US **ethanol** sector, which used a record 117m. tons of maize and sorghum in 2009/10. In March 2010 the Secretariat provided the Market Conditions Committee with a summary of recent US Environmental Protection Agency rules implementing the revised Renewable

³ Crop difficulties in several northern hemisphere countries in the summer of 2010, especially in the CIS, significantly changed the outlook from that foreseen by the Council in early June. For the latest data see the IGC Secretariat's monthly Grain Market Reports.

⁴ Including the Food Aid Committee, established under the Food Aid Convention of the International Grains Arrangement, for which the IGC Secretariat provides administrative services.

Fuels Standard (RFS), which mandated the use of 36bn. gallons (136bn. litres) of biofuels by 2022, three times as much as in 2009. Most of the growth was required to be in advanced biofuels, such as cellulosic ethanol, which would decrease greenhouse gas emissions more than maize-based biofuel. Regular updates were provided to the MCC on the production of **genetically-modified (GM) crops** of grain and oilseeds. Data presented in March 2010 indicated that global GM maize plantings in 2009 had increased to 39m. ha. (25% of total maize areas), up from 34m. the previous year, while the GM soyabean area was estimated to have increased by 7m. ha., to 68m. ha., 67% of the world total. GM rapeseed/canola areas were put at 6.4m. ha., some 21% of the total, with adoption rates of over 90% in Canada.

Work continued on building a comprehensive database for the **animal feed sector**, with more detailed information provided to members on corn gluten feed and gluten meal, and on the use of **industrial by-products** as feed. The November 2009 Grain Market Report included for the first time estimates of the consumption of distillers dried grains (DDG) in eleven countries, and also recent trends in DDG shipments by the US, which had grown strongly in recent years. Initial analysis suggested that global consumption of corn gluten feed and gluten meal was about 20m. tons, China and the US accounting for around half. There was insufficient time to make significant progress with the examination of factors which may have **influenced market prices and trade in 2007-08**. The Council decided at its June 2010 session that this study should not be pursued further, although certain aspects, in particular the causes of grain market volatility, should continue to be examined as part of the regular work programme.

At the October 2009 Executive Committee meeting the European Commission referred to difficulties in determining, for its tariff setting purposes, the daily **price of North American durum wheat** cif Rotterdam. The Secretariat pointed out that as there were very few actual durum export quotations, a notional price had to be calculated from futures at Minneapolis and the freight costs from the Great Lakes to Europe, which varied seasonally according to whether the St Lawrence Seaway was closed by ice. The Secretariat would do its best to improve the information it made available, but might never be able to provide precise daily quotations where little or no business was being done.

Regular economic work programme

Medium-term projections of grains supply and use, updated annually, have been a regular part of the Secretariat's work programme since 2007, leading to improved understanding of the inter-relationships between the different grains. The projections for the five years to 2014/15, considered by the Council at its December 2009 Session, noted that recent large grain harvests would help to sustain overall supplies even if production fell back, as was likely in 2010. Industrialised countries had suffered a steeper than expected economic slowdown, which was depressing feed and industrial uses of grains. Economic conditions appeared to be improving, but grains consumption growth in the next five years was likely to remain slow as the biofuels sector matured. At the projected levels of output, world wheat supplies would stay comparatively large, with only a slight fall in global stocks. A significant share of these would continue to be held in countries other than the main exporters, notably China and India. World maize production was forecast to increase further, but its use would grow faster and stocks were likely to tighten, restricting exportable supplies. China was forecast to become a net importer of maize.

At the March 2010 MCC meeting the Secretariat assessed the impact on the five-year forecasts of recent information, especially the predicted increase in US maize plantings in 2010. If this proved accurate, global maize supplies in the mid-2010s might be rather less tight than previously foreseen.

Following the full incorporation of **rice** within the Grains Trade Convention on 1 July 2009 a great deal of work has gone into compiling and making available to members comprehensive data on rice supply and demand as well as developments in rice markets. By March 2010 annual production, use and trade data for the period since 2003/04 had been completed for around a hundred countries and the rice supply and demand database was made available to members in May. During 2009/10 the weekly Rice Market Bulletin, introduced in April 2009, was further expanded to include the latest details of trade, planting progress and harvesting, as well as major countries' export shipments by type of rice. Work began on estimates of unrecorded cross-border trade flows, especially in Near East Asia and Africa.

The programme of work for 2009/10 specified that work should start on **oilseed** supply and demand. Progress was made during the year on estimates for soyabeans and rapeseed/canola. A new weekly Oilseeds Market Bulletin, launched in September 2009, reviewed the latest market developments and listed export prices, futures prices, national statistics and other news. From early 2010 it also included a summary of reported international purchases of oilseeds, meals and vegetable oils.

With the assistance of the panel of freight rate experts, monitoring **ocean freight rates** for grain is an important part of the Secretariat's work. Current freight developments are reported in the weekly Grain Market Reports. Revised terms for vessel sizes, and loading and discharging rates, on principal grain routes were issued in March 2010.

Website developments

With 14 commodities to cover, it became increasingly difficult, for reasons of space and expense, to include all the various aspects of each in the printed monthly Grain Market Reports. In 2009 the Secretariat decided that several GMR tables and some text should be available only on the website: this additional web-only content was not translated, with additional cost savings. The GMR contents page was substantially improved, a new menu allowing electronic versions of text and tables to be more easily located and viewed on-line.

Following a major review of subscription rates, the first in several years, significant price increases were introduced for the Council's information services in August 2009. These better reflected the amount of work required, as well as the fact that because of greater commodity coverage, each publication contained much more information than in the past. The increase in rates further boosted income from the sale of publications and information services in fiscal 2009/10, which reached £128,000.

Work programme for 2010/11

The Council adopted the work programme for 2010/11 at its June 2010 Session. It noted that while much progress has been made in recent years toward establishing the required information systems to allow the IGC to further develop its multi-commodity mandate, the regular activities now took up virtually all of the Secretariat's resources. Estimating and forecasting supply, demand and trade would continue to be the main focus in 2010/11, together with the daily, weekly and monthly reporting of global developments. The five-year baseline projections for grains would be rolled forward to 2015/16 for discussion at the Council's December 2010 Session. Monitoring market price developments and trade in rice and oilseeds would be further intensified.

Other regular activities in 2010/11 would include:

- Preparations for Council Sessions in December 2010 (in Australia) and June 2011
- Preparations for Budget and Executive Committee meetings
- Preparations for the meetings of the Market Conditions Committee
- Organising the June 2011 IGC Grains Conference
- Presentations by the Secretariat at international meetings
- Responding to press and other requests for information
- Activities in connection with the Food Aid Committee (expected to intensify in 2010/11)

As time and resources permitted, the Secretariat could also undertake work on the following:

- **Analysis of the world oats market** (stage 2): further expand the analysis with particular reference to future demand trends
- **Industrial uses:** further develop data on biofuels (ethanol and biodiesel)
- **Wheat flour:** prepare comprehensive production data including estimated world totals
- **Animal feed use:** deepen and widen the coverage of the use of feed ingredients
- **Rice:** further develop supply and demand analysis, including estimates of rice trade by type
- **Oilseeds:** prepare supply and demand estimates for soyabeans and rapeseed/canola.
- **Durum wheat:** compile global supply and demand estimates
- **Cross border farmland investment:** monitor all available information
- **Online information system:** to set up parallel, commodity-based, pages for individual grains

Administrative and other matters

Membership

There were no changes in the Council's membership in 2009/10. The twenty-six Council members are listed in Appendix 1. By the end of the fiscal year twenty-four of them had deposited their instruments of ratification or accession to the Grains Trade Convention, 1995 (GTC). In June 2010 the Council granted the other two governments (Panama and Ukraine) further extensions of time to 30 June 2011 in which to complete their procedures. Until they do so they are regarded as provisional members for the purposes of the GTC.

At the December 2009 session the Council considered a request from the government of the Russian Federation to change its status under Article 12 of the GTC from importing member to exporting member. The representative of the Russian Federation pointed out that for many years the country had been a large exporter of grains: the IGC's records showed that its exports had recently amounted to around 20m. tons annually. The change would bring Russia's status in the IGC in line with current reality. The Council approved the transfer of the Russian Federation to the group of exporting members, with effect from 1 July 2010, in accordance with Article 12 (5).

Under Article 15 of the GTC the Executive Committee may consist of up to six exporting members and up to eight importing members. The Council agreed at its June 2010 session

that the Russian Federation should remain a member of the Committee in 2010/11, as an exporting member. It was also agreed that the Committee should allow Australia to continue attending Committee meetings as an exporting country on an *ad hoc* basis, pending an amendment to the GTC.

Efforts to expand GTC membership

The Executive Director met and exchanged correspondence with a number of potential new member countries. Saudi Arabia confirmed in June 2010 that the Kingdom's Council of Ministers had decided to apply to accede to the GTC and that a formal application would shortly be sent to the Council⁵.

In January 2010 a joint message was received from **Brazil's** Ministries of Foreign Affairs and Agriculture stating that as 2010 was an election year, no decision regarding the country's IGC membership would likely be taken before early 2011.

Audited accounts

The audited accounts of the Council for fiscal 2008/09 were considered by the Executive Committee at its meeting in October 2009 and approved for publication at the Council session in December 2009. The accounts were annexed to the Report for the Fiscal Year 2008/09, published in March 2010.

Budget for fiscal 2010/11

At its June 2010 Session the Council reviewed the **financial situation in 2009/10**⁶. Council **expenditure** was £1.60m, 1.2% more than in 2008/09, but 2.8% below the budget of £1.65m. agreed by the Council in June 2009. The underspend was mainly due to lower than budgeted staff costs and the receipt of VAT refunds delayed from the previous year. Accommodation expenses were higher than anticipated because of the decision to enlarge the meeting room at the IGC's offices. Office expenses were also over budget because of the installation of a new telephone switchboard, the replacement of the computer server with one of sufficient capacity to cope with the Secretariat's increasing commodity coverage, and increasing costs of information services. Council **income** in 2009/10 was £1.76m., some £118,000 more than budgeted. It was boosted by the payment of long-standing arrears by one member (Ukraine) and increased receipts from the sale of information services. The surplus of income over expenditure of £164,000 brought the Council's estimated cash balance on 30 June 2010 (excluding the accommodation reserve) to almost £1.49m.

When considering its budget for fiscal 2010/11, the Council approved total **expenditure** of £1.66m., 0.7% more than the budget for 2009/10. Staff expenses, which were based on the UN salary scales for London, and accounted for 75% of the total budget, were expected to rise by 0.8% over those budgeted for 2009/10. Building service charges continued to rise faster than UK inflation but the rent would be unchanged. Office expenses would be slightly higher than in the 2009/10 budget because of rising subscription fees for information purchased by the Secretariat. A saving of 5% was expected in Council and Committee expenses, because all FAC informal meetings would be held in the enlarged meeting room.

⁵ The Kingdom of Saudi Arabia subsequently formally applied to become a member of the International Grains Council in August 2010. This was approved by the Council and the country acceded to the GTC with effect from 1 September 2010.

⁶ The details in this section refer to the final audited accounts for the fiscal year, as annexed to this Report.

Income from the Council's information services in 2010/11 was projected at £115,000, up by £28,000 from the 2009/10 budget. The net surplus from the annual IGC Conference was budgeted at £65,000. Income from bank deposits was forecast to fall to £28,000 because of declining UK inter-bank rates. The proposed level of expenditure, and estimates of other income, indicated that members should contribute £1.446m. in 2010/11 (£723 per vote) to maintain unchanged reserves. However, in order to mitigate the required 3.3% increase in gross annual contributions per vote it was agreed to transfer £30,000 from the reserves⁷ so that members' net contributions in 2010/11 would be based on £708 per vote, compared with £700 net in 2009/10, representing an increase of 1.1%.

Payment of contributions

Members' annual financial contributions to the Council, which are in proportion to the number of votes they hold under Article 11, are payable immediately upon assessment, at the start of each July - June fiscal year. Extended delays by some members in making their contributions have long been of concern to the Executive Committee and the Council. After Ukraine paid its substantial arrears in August 2009, only one member (Côte d'Ivoire) had significant amounts outstanding. It had not made any payments since 1995, and by June 2010 owed the Council more than £48,000. Representatives of Côte d'Ivoire informed the Council that its concerns had been passed to their country's authorities who were trying to settle the matter. The Chairman invited the authorities of Côte d'Ivoire to hold discussions with the Executive Director and the incoming Council Chairman. These problems raised a broader question about the deficiencies of the Council's Rules and operating procedures to deal with long-standing arrears. It was agreed that the Executive Committee should consider what should be done, taking account of the practices of other international organizations.

Executive Director's contract

At the June 2010 session the Council unanimously agreed to renew the Executive Director's contract for five years from 1 February 2011. Members noted that the IGC's finances had been well-managed over the last five years, and that the Secretariat had successfully accommodated a number of new commodity groups in its work. The extension of Mr. Kitahara's contract would maintain stability in the organization. Mr Kitahara thanked members for their strong support. It was his aim, with the assistance of his colleagues in the Secretariat, to continue to be responsive to members' needs and concerns and to make the organization still more efficient and effective.

⁷ Compared with a transfer of £60,000 in 2009/10.

Elections for 2010/11

The following elections and appointments for fiscal 2010/11 were made at the June 2010 Council session.

Chairman of the Council and the Executive Committee

Mr Kilian Greter (Advisor, Federal Office of Agriculture, Bern, Switzerland).

Vice-Chairman of the Council and the Executive Committee

It was agreed that the Vice-Chairman should be a representative of the Russian Federation, to be nominated later.

Executive Committee members

Argentina, Canada, Cuba, Egypt (Arab Rep.), European Union, India, Japan, Kenya, Morocco, Russian Federation, South Africa, Switzerland, United States of America.

It was agreed that Australia should be able to attend Executive Committee meetings as an exporting country on an ad hoc basis pending an amendment to the GTC.

FOOD AID COMMITTEE 2009/10

Membership and meetings

Chair

Ms Sharon Murphy (Deputy Head of Economic and Planning Division
Department of Agriculture, Fisheries and Food, Ireland)

Membership

Argentina	Japan
Australia	Norway
Canada	Switzerland
European Union and its twenty-seven member States	United States of America

The Food Aid Committee administers the Food Aid Convention, 1999 (FAC)*, the latest in an evolving series of legal instruments which, since 1968, have provided for continuous intergovernmental cooperation in food aid matters. The present Convention's basic objective is to contribute to world food security and improve the ability of the international community to respond to emergency food situations and other food needs of developing countries, in particular by making appropriate levels of food aid available on a predictable basis. FAC members each pledge to provide specified minimum annual amounts of grains and other eligible products to vulnerable populations in developing countries which need food aid. Donors are encouraged to improve the effectiveness and quality of their assistance in support of food security, particularly for the most vulnerable groups, and to improve member co-ordination in the supply of food aid. Much of the aid under the FAC is channelled multilaterally, particularly through the World Food Programme (WFP) and, increasingly, donors' operations involve their purchasing food from developing countries or on local markets in the recipient countries themselves.

The Food Aid Committee held two **sessions** in 2009/10, both of them in London. The 101st Session was on 9 December 2009 and the 102nd Session was on 4 June 2010. The meetings were attended by representatives of donor members and by observers from international organisations concerned with food aid. Representatives of four non-member governments (India, the Republic of Korea, South Africa and the Russian Federation) also attended as observers. In recent years Committee members have been considering changes to the operation of the current FAC and its Rules of Procedure that would improve the Convention's effectiveness, pending its eventual renegotiation. These discussions intensified in 2009/10 with **informal meetings** prior to each session of the Committee and also in February 2010, and the establishment of a **Working Group** on the future of the Convention which met in April 2010⁸.

* As constituent parts of the International Grains Agreement, 1995, the Food Aid Convention, 1999 and the Grains Trade Convention, 1995 (administered by the International Grains Council - IGC) are institutionally linked. The IGC Secretariat provides administrative services for the Food Aid Committee.

⁸ See the section of this report headed "Food Aid Convention - future action".

Developments in 2009/10

Food situation in developing countries

The Committee reviewed the food situation in developing countries in the light of reports by the IGC Secretariat on the latest developments in grains and oilseeds. Unexpectedly large harvests in 2009, especially of wheat, had improved the balance between supply and demand. While export prices for wheat, coarse grains and, to a lesser extent rice, had fallen from the peaks reached in 2007, local market prices of key food staples remained high in several developing countries, notably in Western Africa's drought-affected Sahel region. World grain and oilseed markets also continued to be volatile. The Secretariat's medium-term baseline projections suggested that total wheat and coarse grain supplies, especially those of maize, would tighten in the period to 2015 and that rice supply and demand would remain roughly in balance.

Members informed the Committee of their responses to current food emergencies. At a time of tight budgetary conditions, major donors were concentrating their resources on the greatest emergencies and the most immediate life-saving interventions. East Africa was a particular priority, with extreme food insecurity in parts of Ethiopia, Somalia and Sudan: conditions were also very difficult in the Sahel region, especially in Niger and Chad. The observer from the FAO also drew attention to the chronic food insecurity affecting North Korea. The observer from the WFP pointed out at the June 2010 Session that the nature of global food aid had changed dramatically over the past ten years. While the amount supplied had continued to decline in 2009, all was now in grant form, 92% was directly distributed to beneficiaries and 70% of it went through multilateral channels. Emergency food aid now accounted for 76% of global flows. The WFP calculated that global food aid flows in 2009 were able to meet potentially the calorie requirements of 25.9m. people and the protein requirements of 32.6m. people.

Operations in 2009/10

According to preliminary data for the year to June 2010, FAC members provided 7.0m. tons* of food, down from 7.9m. in the previous year, but in excess of combined total annual FAC commitments of some 5m. tons. Operations in Africa amounted to 4.4m. tons, accounting for 63% of the total. This was 0.7m. tons less than in 2008/09, when donors had been faced with particularly severe food emergencies in Zimbabwe, Somalia, the Democratic Republic of Congo and some other countries. This was only partly offset by substantially increased contributions to the region's biggest single recipient, Ethiopia. Nearly two-thirds of the food donated consisted of cereals and cereals products. The Appendix shows total operations by each member in recent years.

Food aid policy developments

The Committee noted recent international initiatives on food security including, in particular, the joint statements on global food security by G-8 leaders at their summit meeting at L'Aquila (Italy) in July 2009, and the meeting of G-8 Development Ministers in Halifax (Canada) in April 2010 which had focused on strengthening the accountability and effectiveness of development assistance. At the June 2010 session the Chair referred to the "Dublin dialogue" with civil society in May 2010⁹, which had included a fruitful discussion on food assistance.

* Wheat equivalent.

⁹Dialogue with civil society arranged by the Irish Government on the "Comprehensive Framework for Action of the UN High Level Task Force for the Global Food Security Crisis".

The observer of the World Trade Organisation updated the Committee on progress in the Doha Round of multilateral trade negotiations, which included prospective disciplines on international food aid.

Representatives of members informed the Committee of relevant developments in their governments' policies. The Government of **Australia** had entered into a four-year Aus \$180m. Strategic Partnership Agreement with the WFP, including Aus\$ 40m. earmarked for the WFP's School Feeding Programme. Food security was a foreign policy priority for **Canada**, and its new food security strategy balanced short-term and long-term responses to developing country needs. The Council of Ministers of the **European Union** had adopted a new food assistance policy in June 2010, which took a holistic view of food needs and assistance that went beyond dealing with emergencies. The **United States** was engaging in large-scale investments in a number of partner countries as a way of accelerating progress towards the Millennium Development Goal of sustainably reducing hunger and poverty.

Food Aid Convention

Future action

In 2008 the Food Aid Committee instituted a series of informal meetings between members to consider the replacement of the Food Aid Convention, 1999 (FAC) by an up-to-date instrument that would more effectively provide appropriate food aid to those with identified needs. While some members considered that formal negotiations should await conclusion of the WTO Doha Round of trade negotiations, which included disciplines applicable to food aid transactions, there was a consensus that enough progress had been made in the WTO for FAC members to begin intensive work on the possible elements of a new FAC.

A questionnaire was circulated to members in June 2009 to gain a better understanding of their views on the strengths and weaknesses of the current Convention and the desired aims of a new one. Responses were reviewed at an informal meeting on 7-8 December 2009. Four points, in particular, emerged as requiring further clarification: the vision and objectives of a new Convention; its place in the global food security system; the type of commitments donors should undertake, and the role of the Committee. The Committee, meeting the following day, agreed that the informal discussions had been extremely fruitful, and that the process should be accelerated in the months prior to the next session in June 2010, when the further extension of the 1999 FAC was to be decided. Another informal meeting was therefore convened on 15-16 February 2010 to discuss the four points and to consider how to maintain the momentum of the discussions. Under written procedures, the Food Aid Committee agreed to this meeting's proposal to set up a Working Group on the future of the Food Aid Convention, which was to report to members before the June session.

The Working Group commenced its work on 15 March 2010, initially through an electronic exchange of views, and then met in London on 15-16 April 2010. Its report to the Committee on 22 April set out a shared vision on the objectives and principles of a new Food Aid Convention, members' commitments, the role of the Food Aid Committee and the next steps. At their informal consultations on 2-3 June 2010 members endorsed the Working Group's report and agreed that more discussion was required on some key questions. The Committee therefore agreed, when it met on 4 June, that further informal discussions should be held prior to the next session in December 2010¹⁰. Their aim would be to further

¹⁰They took place in September 2010 in Ottawa.

develop and crystallise aspects of the consensus and obtain a clear future vision. Some members of the Committee indicated that they were now ready to begin the formal process of negotiation, but other members were not yet in that position¹¹.

Extension of the Food Aid Convention

In the light of the progress made in the discussions of future action, the Committee agreed, at its June 2010 session, that the Food Aid Convention, 1999, which had been due to expire on 30 June 2010, should be extended for one further year, to 30 June 2011.

Administrative and other matters

FAC, 1999: member actions

By 30 June 2010 twenty-five of the thirty-five members of the Food Aid Committee had completed their formal procedures of ratification or accession to the FAC, 1999: the situation was unchanged from a year earlier. At its June 2010 session the Committee granted the other ten members extensions of time to 30 June 2011 in which to deposit their instruments.

Chair and Vice-Chair for 2010/11

At its June 2010 session the Committee appointed Ms Leslie Norton (Director General, International Humanitarian Assistance Directorate, CIDA, Canada) to chair the Committee in 2010/11. The Committee agreed to defer the appointment of the Vice-Chair for 2010/11 until the following session.

¹¹At the Committee's 103rd Session, on 14 December 2010, members agreed to begin the formal process to renegotiate the Food Aid Convention, 1999.

APPENDIX 1

IGC Council and Committee membership in fiscal 2009/10* (1 July 2009 – 30 June 2010)

Chairman

Mr. M.Koval (Australia)

Vice-Chairman

Mr. Kilian Greter (Switzerland)

Council membership

Exporting members:

Argentina	European Community	Turkey
Australia	India	Ukraine
Canada	Kazakhstan	United States of America

Importing members:

Algeria	Kenya	Russian Federation**
Côte d'Ivoire	Korea (Rep. of)	South Africa
Cuba	Morocco	Switzerland
Egypt (Arab Rep. of)	Norway	Tunisia
Iran (Islamic Rep. of)	Pakistan	Vatican City
Japan	Panama	

Executive Committee

Argentina	European Union	Russian Federation
Australia	India	South Africa
Canada	Japan	Switzerland
Cuba	Kenya	United States of America
Egypt (Arab Rep. of)	Morocco	

Market Conditions Committee

Chairman

Mr E. Kitahara (Executive Director)

Members

In accordance with Article 16 of the Grains Trade Convention, 1995, the Market Conditions Committee is a Committee of the whole, and all members of the Council may attend its meetings.

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* Including provisional members which had not yet deposited their instruments of ratification or accession to the GTC, 1995.

** The Russian Federation became an exporting member with effect from 1 July 2010.

APPENDIX 2

Members' votes in 2009/10 (As at 30 June 2010)

UNDER ARTICLE 11* (Votes for entry into force and budget)		UNDER ARTICLE 12* (For use if votes are held)	
		Exporting members	
	Vote		Vote
Algeria	26	Argentina	80
Argentina	117	Australia	95
Australia	139	Canada	159
Canada	233	European Community	264
Côte d'Ivoire	5	India	27
Cuba	6	Kazakhstan	18
Egypt (Arab Rep.of)	70	Turkey	11
European Community	386	Ukraine	24
India	39	United States of America	322
Iran (Islamic Rep.of)	21	TOTAL	1,000
Japan	191	Importing members	
Kazakhstan	27		Vote
Kenya	7	Algeria	50
Korea, (Rep.of)	49	Côte d'Ivoire	10
Morocco	17	Cuba	12
Norway	10	Egypt (Arab Rep.of)	135
Pakistan	21	Iran (Islamic Rep.of)	40
Panama	5	Japan	333
Russian Federation	67	Kenya	13
South Africa	16	Korea (Rep.of)	94
Switzerland	12	Morocco	33
Tunisia	9	Norway	19
Turkey	16	Pakistan	40
Ukraine	35	Panama	10
United States of America	471	Russian Federation	130
Vatican City	5	South Africa	31
TOTAL	2,000	Switzerland	23
		Tunisia	17
		Vatican City	10
		TOTAL	1,000

* See notes on next page for explanations.

APPENDIX 2 - continued

Members' votes in 2009/10 – Explanatory notes

Votes under Article 11 of the Grains Trade Convention, 1995 (GTC) are used to determine members' annual financial contributions to the Council. The basic schedule of votes is set out in the Annex to the GTC. Part A of that Annex lists countries which were members of the preceding Wheat Trade Convention (WTC) on 30 June 1995, when it was replaced by the GTC. Their votes, as shown in Part A, are based on a formula which took account of their respective shares of international grains trade over a long historic period, as well as the votes they held under the WTC. Part B of the Annex lists other countries and territories considered potential members: the votes to be allocated to them in the event of joining the Council are based on the amount of their grains trade in comparison with the total trade of all members. This also applies to any countries or territories not listed in the Annex which the Council approves as members.

The total of members' votes under Article 11 must equal 2,000. The minimum number of votes for individual members is 5, and the maximum is 475. All votes are expressed in whole numbers. Although the custom of the Council is to take its decisions by consensus, voting procedures are provided in the GTC. If a vote is taken, the votes exercised by members will be as determined under Article 12.

Members of the GTC are divided into exporting and importing groups, according to trading patterns and their own wishes. Under Article 12, the votes of each group total 1,000. For individual members, the maximum vote is 333 and the minimum is 1. Votes under Article 12 are derived from those currently in force under Article 11.

The GTC, and its Rules of Procedure, detail how votes under Articles 11 and 12 are to be adjusted whenever the Council's membership changes. They also provide for periodic reviews and adjustments of votes, with the aim of bringing them progressively more closely into line with current grain trading patterns. Such reviews and adjustments take place each time the life of the GTC is extended by the Council. The GTC had an initial life of three years, to 30 June 1998. It was extended for one year in 1998, and for two years each in 1999, 2001, 2003, 2005, 2007 and 2009. Members' votes as at 30 June 2010, listed on the previous page of this Report, reflect the adjustments made when the Convention was extended as from 1 July 2009. Because rice was included in the definition of "grains" with effect from that date, the votes were also adjusted to take into account members' trade in rice.

APPENDIX 3

IGC Secretariat's participation in meetings and visits

Date	Organization	Venue	Subject
2009			
October			
	HGCA	London	Market Outlook Conference
	British-Argentine Chamber of Commerce	London	Workshop
November			
	Chatham House	London	Conference on Food Security
	FAO	Santiago, Chile	IGG on oilseeds, oils and fats; Grains and Rice
	European Commission	Brussels	IGC presentation
	FAO	FAO, Rome	World Summit on Food Security
			Explain the role of IGC to Ministers and senior government representatives from Bolivia, Jordan, Paraguay, the Philippines, Saudi Arabia and Uzbekistan
	WTO	Geneva	Committee on Agriculture
	US Wheat Associates	London	Crop Quality Seminar
December			
	CFC	The Hague	Seminar
2010			
February			
	IFAD	IFAD, Rome	33 rd Session of the Governing Council
			Explain the role of IGC to Ministers and senior government representatives from Ecuador, Jordan, Saudi Arabia and Uganda
	United Soybean Board	London	Explain latest developments at IGC
March			
	Rice Trade Outlook 2010	Marseille	Conference
	UNCTAD	Geneva	Presentation at the Multi-year Expert Meeting on Commodities and Development
			Explain the role of IGC to senior government representatives from Azerbaijan, Lesotho, Ghana and Cameroon
April			
	International Grain Trading Conference	Sharm-El-Sheikh, Egypt	Presentation and publicity for the IGC Grains Conference
May			
	Roma Cereali 2010	Rome	IGC presentation at the 3 rd International Meeting of the Cereals Sector
	Rice Association and USA Rice Federation	London	Rice Symposium
June			
	FAO	Rome	The 68 th Session of the Committee on Commodity problems

APPENDIX 4

Summary of IGC information services in 2009/10

Publications:

- **Market information and forecasts**
 - 11 (monthly) Grain Market Reports (GMR)
 - 250 Daily Monitors (*restricted to members*)
 - 52 (weekly) Grain Market Indicators (GMI)
 - 52 (weekly) Rice Market Bulletins (*restricted to members*)
 - New:* 37 (weekly) Oilseeds Market Bulletins (*restricted to members*)
 - 51 (weekly) Ocean freight rate reports
- **Statistical (annual)**
 - World Grain Statistics 2009 (online only)
 - Grains Shipments 2008/09 (online only)
 - Food Aid Operations 2008/09 (free on IGC & FAC homepages)
- **Other**
 - Report for Fiscal 2008/09 (free on IGC homepage)

Member web updates: (*other than publications listed above and IGC & FAC documents*)

- **Statistics:**
 - Trade (monthly/annual), including rice and major oilseeds
 - Production
 - Supply & demand
 - Prices, including rice and major oilseeds
- **Market updates (daily):**
 - Rice: daily market news
 - Oilseeds: daily market news
 - Prices: daily forward price quotations

Market updates (weekly):

- Diary of market news
- Reported sales
- Exporter sales & shipment progress
- Export & import prices (GMR table)
- Exchange rates
- Ocean freight rates
- Biofuels news

Other updates:

- National trade and policy developments
- GM crop areas
- **MCC meetings:** Secretariat & guest speaker presentations
- **IGC Secretariat presentations at international meetings**
- **IGC Grains Conference 2010 presentations**

APPENDIX 5**Audited accounts for 2009/10 – Summary**

A summary of the statement of receipts and payments and the balance sheet for the year 2009/10 is set out in the following pages. The IGC accounts were audited by the independent auditors BARNES ROFFE LLP.

	2009/10 £	2008/09 £
INCOME		
Transfer from reserve	60,000	90,000
Contributions, current year	1,369,710	1,201,605
Contributions, past years	118,202	18,930
Contributions in advance		18,367
Interest on deposit	31,902	71,755
Information services	128,499	100,863
Conference	53,087	64,850
Other income	1,760	400
TOTAL INCOME	1,763,160	1,566,770
EXPENDITURE		
Staff	1,187,486	1,170,671
Accommodation	273,699	259,542
Office	92,848	84,157
Council and committee	46,047	50,129
Professional services	20,490	18,130
OPERATING EXPENSES	1,620,570	1,582,629
Non-operating items	(21,025)	(2,525)
TOTAL EXPENSES	1,599,545	1,580,104
SURPLUS OF INCOME/EXPENDITURE	163,615	(13,334)
BALANCE BROUGHT FORWARD 1 JULY 2009	1,386,349	1,489,683
LESS: TRANSFER FROM RESERVE	(60,000)	(90,000)
BALANCE CARRIED FORWARD 30 JUNE 2010	1,489,964	1,386,349

APPENDIX 5 - continued**Balance Sheet
As at 30 June 2010**

	2009/10 £	2008/09 £
Bank balances -		
Current accounts	1,489,482	1,385,742
Cash	482	607
	<u>1,489,964</u>	<u>1,386,349</u>
Bank balances -		
Deposit account - Accommodation reserve	519,000	605,500
	<u>2,008,964</u>	<u>1,991,849</u>
Reserves		
Operating reserve	700,000	700,000
Capital and contingency reserve	700,000	700,000
Surplus/deficit	89,964	(13,651)
	<u>1,489,964</u>	<u>1,386,349</u>
Accommodation reserve	519,000	605,500
	<u>2,008,964</u>	<u>1,991,849</u>

APPENDIX 6

Food Aid Convention

Annual operations: 2004/05-2009/10
(July/June years)

metric tons: wheat equivalent

DONOR	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
ARGENTINA	-	-	-	-	-	-
AUSTRALIA	168,083	180,667	114,530	216,726	163,857	165,081
CANADA a)	437,341	448,534	474,438	520,903	551,475	524,148
EUROPEAN UNION c)	2,151,958	2,853,063	2,488,053	2,178,310	2,263,456	1,691,765
JAPAN a)	578,261	354,289	318,964	428,301	556,078	776,228
NORWAY a)	145,586	196,034	179,408	102,955	89,382	62,774
SWITZERLAND	71,854	61,608	71,051	69,872	59,368	47,861
UNITED STATES	5,363,186	4,830,710	3,869,162	3,630,343	4,256,834	3,745,514
TOTAL b)	8,916,269	8,924,904	7,515,606	7,147,410	7,940,450	7,013,371

* These figures refer to the wheat equivalent of actual operations completed during the years shown, including EC value commitments (as estimated by the IGC Secretariat). They are not adjusted for product limits under Article IV of the Food Aid Convention 1999 and do not necessarily represent the performance of members in relation to their annual commitments, which are as follows (in tons):

Argentina: 35,000
Australia: 150,000
Canada: 420,000
EU: 1,320,000 tons (tonnage commitment) and €130,000,000 (value commitment)
Japan: 300,000
Norway: 30,000
Switzerland: 40,000
USA: 2,500,000

- a) Wheat equivalent of cash contributions as calculated on the basis of the "prevailing international market price". These figures therefore do not correspond to quantities actually shipped.
- b) Includes contributions under IEFRR - Immediate Response Account (IRA), as reported by WFP.
- c) EU and member States. For the purpose of this table, includes the wheat equivalent of FAC "value" contributions.

