



Crop Prospects and Food Situation

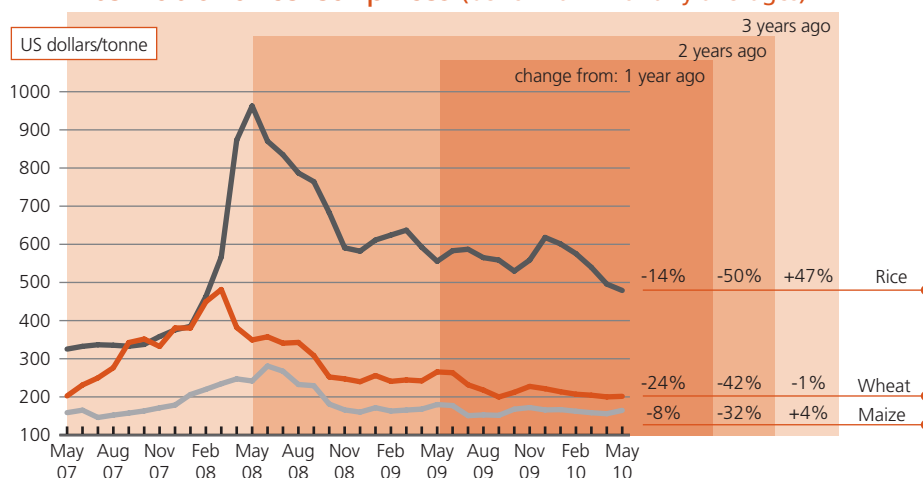
HIGHLIGHTS

- **FAO's first forecast for world cereal production in 2010 is 2 286 million tonnes**, 1.5 percent up from last year and similar to the record level of 2008. However, with some major crops yet to be planted, much will depend on climatic conditions in the coming months.
- **In Low-Income Food-Deficit countries, early prospects for the 2010 crops are mixed.** In Southern Africa, smaller maize outputs are anticipated in several countries. In Far East Asia, the impact of dry weather during the winter season was mitigated by adequate irrigation supplies and good wheat and first season rice crops are being gathered.
- **International cereal prices have declined in the past months and are below their levels of a year ago** reflecting ample cereal supplies in 2009/10 and prospects for large crops in 2010.
- **In developing countries, however, food prices remain above the pre-crisis level of early 2008**, negatively affecting access to food of vulnerable populations.
- **Despite record or bumper 2009 cereal harvests in many LIFDCs, food difficulties persist in 29 countries worldwide**, particularly in Niger, Chad and other Sahelian countries of West Africa, where food assistance is needed for the 2009/10 marketing season.
- **In Eastern Africa, good secondary 2009/10 cereal harvests and rains in previously dry pastoral areas have provided some relief to food insecure populations in the subregion.**

CONTENTS

Countries in crisis requiring external assistance	2
Global cereal supply and demand brief	4
LIFDC food situation overview	9
Regional reviews	
Africa	12
Asia	19
Latin America and the Caribbean	22
North America, Europe and Oceania	24
Statistical appendix	26

International cereal prices (benchmark monthly averages)

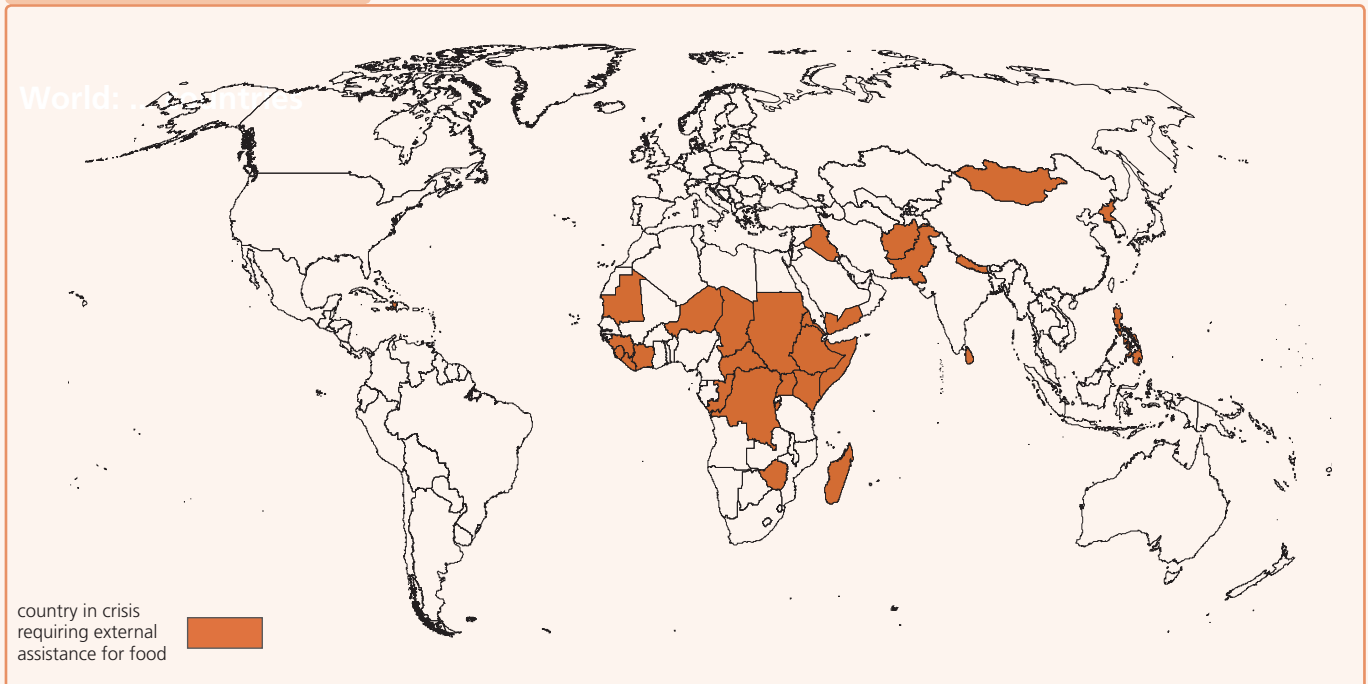


GIEWS Country Briefs - Detailed information on individual country situations can now be accessed at:
www.fao.org/giews/countrybrief

Countries in crisis requiring external assistance for food¹

Country/Nature of food insecurity	Main reasons for food insecurity	Changes in food security since last report (February 2010)	Country	Reasons for food insecurity	Changes in food security since last report (February 2010)
AFRICA (19 countries)			Exceptional shortfall in aggregate food production/supplies		
Mauritania	Several years of drought. Steep drop in production in 2009; 370 000 people in need of food assistance	■	Côte d'Ivoire	Conflict-related damage. Agriculture seriously damaged in recent years due to the lack of support services in certain parts of the country (mainly in the northern half), the fragmentation of the markets and other problems caused by the lack of security	■
Niger	Sharp decline in cereal and pastures production in 2009 due to adverse weather. 2.7 million people located mostly in Maradi, Zinder and Tahoua regions in need of food assistance this year	■	Dem. Rep. of Congo	Civil strife, internally displaced persons, returnees	▼
Zimbabwe	Economic constraints. Sharp decline of 2010 cereal harvest in southern and eastern parts of the country	▲	Ethiopia	Adverse weather in 2009 "meher" season in eastern and north-eastern areas, insecurity in parts. However, current rains are improving pasture/water availability in pastoral areas previously affected by dry weather	▲
Widespread lack of access			Guinea	Access to food is negatively affected by high prices and inflation rates	▼
Eritrea	Adverse weather in 2009 main cereal season in parts, internally displaced persons, economic constraints. However, current rains are improving pasture/water availability in pastoral areas previously affected by dry weather	▲	Kenya	Adverse weather in 2009 main "long rains" season cereal crops. However, bumper maize crop in 2009/10 "short rains" season	▲
Liberia	Slow recovery from war-related damage. Inadequate social services and infrastructure, as well as poor market access in the south-east. High levels of food insecurity	■	Madagascar	Chronic food insecurity in the south expected to increase due to drought-reduced crops this year	+
Sierra Leone	Slow recovery from war-related damage. As net rice importer, depreciation of currency led to higher inflation rates negatively impacting households' purchasing power and food security conditions	■	Sudan	Civil strife (Darfur), insecurity (southern Sudan), adverse weather, reduced 2009 main season cereal crops, high food prices. About 6.4 million people in need of food assistance	■
Somalia	Conflict, economic crisis, adverse weather in 2009 "gu" season. However, 2009/10 secondary "deyr" season, harvested in February-March, was good and provided some relief. Still about 3.2 million people in need of food assistance	▲	Uganda	Adverse weather reduced 2009 main season cereal crops, insecurity mainly in the north and Karamoja region	▲
Severe localized food insecurity			ASIA (9 countries)		
Burundi	Internally displaced persons and returnees and reduced 2010 A season production in some areas	■	Exceptional shortfall in aggregate food production/supplies		
Central African Republic	Civil insecurity restricts access to agricultural land, while high and volatile prices impede food access. Economic recession led to downturn in mining industry in western regions, aggravating food insecurity situation	▼	Iraq	Severe insecurity and poor harvest in 2009	■
Chad	Inadequate rainfall in the Sahelian zone caused a significant drop in national cereal production. Localized conflict aggravating food insecurity conditions. Large number of refugees located in southern and eastern regions - approximately 270 000 Sudanese and 82 000 from Central African Republic	▼	Widespread lack of access		
Congo	Influx of more than 100 000 refugees at the end of 2009, increases pressure on limited food resources	■	DPR Korea	Economic constraints, lack of agricultural inputs continue leading to inadequate food production. High food prices. Lean period before the harvest of the secondary season in June-July aggravating food insecurity	▼
			Mongolia	Extreme cold (<i>Dzud</i>) in 2009/10 winter resulted in death of nearly six million heads of livestock out of a total of 44 million in the country and has adversely affected livelihood of some 500 000 people. Severity of national disaster and estimates of animal deaths increasing	▼
			Severe localized food insecurity		
			Afghanistan	Conflict and insecurity. Highly food insecure areas are in the centre, south-east and north-east of the country	■
			Nepal	Poor market access, past disasters. Transportation difficulties leading to pockets of food shortages and price volatility. Insurgency is re-emerging potentially creating fresh threat to peace	■

World: 29 countries



Pakistan	Conflict, internally displaced persons. Population in the FATA and the NWFP areas continue to face insecurity	▲
Philippines	Past tropical storms, localized conflict. Humanitarian assistance still required for the 2 million people affected by the typhoon which hit the northern island of Luzon during the end of 2009. In the southern island of Mindanao, the displaced population in evacuation centres is more than 100 000 people. Dry weather reduced the 2010 secondary rice crop harvest.	▲
Sri Lanka	Internally displaced persons, post-conflict reconstruction. Although situation is improving gradually, food insecurity in the northern and eastern war-affected areas of the country. Resettlement of internally displaced persons and recovery of the productive systems is ongoing	▲
Yemen	Effects of recent conflict, internally displaced persons (about 250 000 people still in camps) and refugees	■

LATIN AMERICA AND THE CARIBBEAN (1 country)

Widespread lack of access

Haiti	Food assistance for the 1.3 million food insecure people affected by the January earthquake continues.	■
-------	--	---

Key to tables

No change ■ Improving ▲ Deteriorating ▼ New Entry +

Terminology

¹ **Countries in crisis requiring external assistance for food** are expected to lack the resources to deal with reported critical problems of food insecurity. Food crises are nearly always due to a combination of factors but for the purpose of response planning, it is important to establish whether the nature of food crises is **predominantly** related to lack of food availability, limited access to food, or severe but localized problems. Accordingly, the list of countries requiring external assistance is organized into three broad, not mutually exclusive, categories:

- Countries facing an **exceptional shortfall in aggregate food production/supplies** as a result of crop failure, natural disasters, interruption of imports, disruption of distribution, excessive post-harvest losses, or other supply bottlenecks.
- Countries with **widespread lack of access**, where a majority of the population is considered to be unable to procure food from local markets, due to very low incomes, exceptionally high food prices, or the inability to circulate within the country.
- Countries with **severe localized food insecurity** due to the influx of refugees, a concentration of internally displaced persons, or areas with combinations of crop failure and deep poverty.

Global cereal supply and demand brief

OVERVIEW

Ample cereal supplies and lower prices in current season

The 2009/10 marketing season for cereals has been marked by large supplies, reduced import demand and lower international prices. For wheat, stocks are heading for another increase and prices have fallen sharply during the course of the season, driven by ample availabilities in exporting countries and intense competition for market share. Similarly, this season's decline in international prices of coarse grains and rice reflects a general improvement in the global supply and slowdown in demand for those commodities also. With the early prospects for 2010 cereal production pointing to another good crop, ample cereal supplies could be a feature also in the new season (2010/11), which would contribute to keep markets generally stable. However, against this positive outlook for the global cereal supply and demand balance, major food shortages and high prices prevail in many countries.

tonnes, 1 percent down from last year's near record crop but still well above the average of the past five years. The bulk of the reduction is expected among some major producing and exporting countries, partly reflecting smaller plantings because of lower price prospects for wheat but also due to assumptions of a return to normal yields in some parts after above-average levels in the past two years.

In **North America**, a decline of 13 percent in winter wheat plantings in the **United States** and expected 7 percent smaller plantings in **Canada** point to a significant decrease in production. However, in **Europe**, an overall similar crop to last year's good level is expected: a decline forecast in the **European CIS** region is expected to be largely offset by a larger crop in the **EU** where plantings rose in some major producing countries and weather conditions have been generally favourable so far. In **Asia**, harvesting of the main wheat crops in the **Far East** subregion is already well underway or complete and output is estimated just slightly down from last year's record crop. In the **Near East**, prospects for the wheat harvest, that will start in May, are generally favourable and point to a 4 percent larger

PRODUCTION – 2010 OUTLOOK

World cereal production could increase marginally in 2010

FAO's first forecast for world cereal production in 2010 stands at 2 286 million tonnes (including rice in milled terms), just marginally up from last year's level.

A reduction is forecast for wheat while output of coarse grains and rice are seen to rise this year.

Wheat output to decline slightly

FAO's first forecast of global wheat production in 2010 stands at 675 million

Figure 1. World cereal production by type

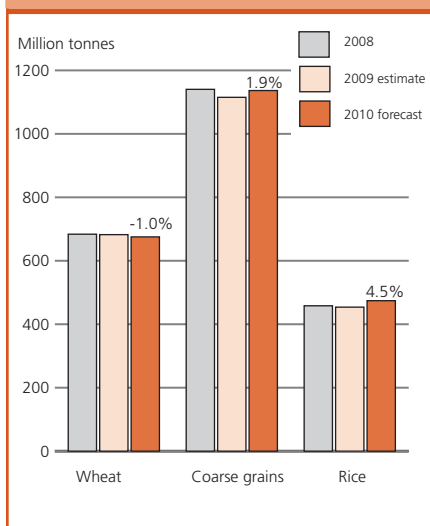


Figure 2. World cereal production and utilization

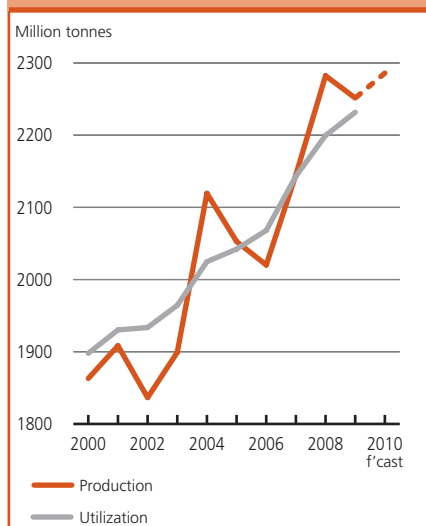
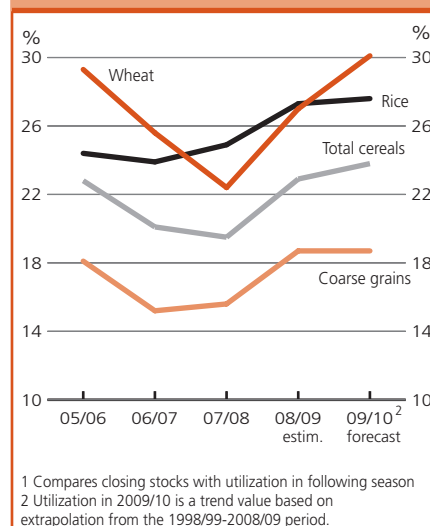


Figure 3. Ratio of world cereal stocks to utilization¹



¹ Compares closing stocks with utilization in following season
² Utilization in 2009/10 is a trend value based on extrapolation from the 1998/99-2008/09 period.

crop than in 2009. Prospects for the 2010 wheat crop in the **Asian CIS** countries remain uncertain pending completion of the spring planting in **Kazakhstan**, the major producer in the subregion. In **North Africa**, wheat crop prospects are mixed with least favourable conditions in **Morocco** and **Tunisia** where crops have suffered from lack of moisture.

In the southern hemisphere, sowing is underway as of late April in **South America**, where early indications point to an increase in plantings after last year's reduced levels. By contrast, in **Oceania**, where planting is also underway in **Australia** as of April, despite ideal moisture conditions, producers may limit the area sown to wheat because of low prices.

Global coarse grain output in 2010 could reach close to 2008 record level

FAO tentatively forecasts 2010 global output of coarse grains at 1 136 million tonnes, 1.9 percent up from last year's level. In **South America**, harvesting of the main season crops is underway and output is expected to recover strongly from last year's drought-reduced level. In

Southern Africa, a near-record coarse grain crop is expected in South Africa and, although down from last year in some cases, above-average crops are anticipated in most other countries. In the northern hemisphere, prospects for the winter coarse grains in **Europe** are favourable, while the spring crops are still being planted. In the **United States**, the world's largest coarse grains producer, the maize crop is being sown under generally favourable conditions and plantings are expected to increase this year.

Rice output could rebound strongly in 2010

While in the northern hemisphere rice producers are preparing to launch their 2010/11 main paddy season, south of the equator, the 2010 main crops are

already being harvested. Although very tentative, FAO's first forecast for global rice production in 2010 stands at 710 million tonnes (474 million tonnes, milled basis), 4.5 percent up the 2009 season when an unfavourable monsoon and adverse El-Niño-related weather reduced yield potential. Most of the growth is expected in **Asia**, where aggregate production is forecast to increase 5 percent from the 2009 level to reach a record of 643 million tonnes (429 million tonnes, milled basis).

SUPPLY AND DEMAND ROUNDUP – 2009/10

Global cereal production in 2009 down slightly from 2008 record

FAO's latest estimate of global **cereal** production in 2009 stands at 2 251 million

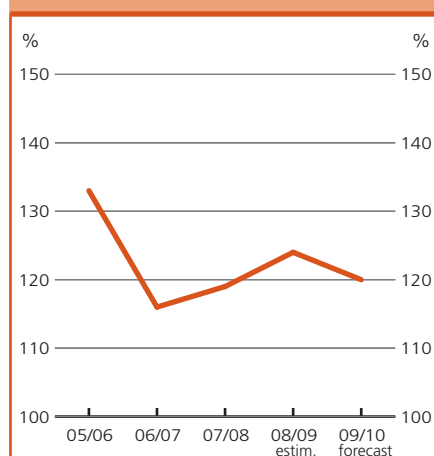
Table 1. World cereal production¹ (million tonnes)

	2008	2009 estimate	2010 forecast	Change: 2010 over 2009 (%)
Asia	973.9	978.8	1 003.5	2.5
Far East	887.5	876.8	898.7	2.5
Near East in Asia	54.3	66.8	70.1	4.8
CIS in Asia	32.0	35.0	34.6	-1.1
Africa	143.2	150.6	151.0	0.2
North Africa	30.2	39.7	35.7	-10.1
Western Africa	49.1	47.5	49.4	4.0
Central Africa	3.3	3.1	3.4	8.9
Eastern Africa	32.7	30.3	32.7	8.0
Southern Africa	27.9	30.0	29.7	-1.0
Central America & Caribbean	41.7	40.4	40.3	-0.4
South America	134.9	116.2	127.1	9.4
North America	456.8	466.4	469.4	0.6
Europe	496.3	463.5	460.5	-0.7
EU	315.7	296.2	298.3	0.7
CIS in Europe	163.6	150.9	145.9	-3.3
Oceania	35.5	35.5	34.3	-3.5
World	2 282.3	2 251.5	2 286.0	1.5
Developing countries	1 236.7	1 227.3	1 286.8	4.8
Developed countries	1 045.6	1 024.2	999.2	-2.4
- wheat	683.8	682.4	675.3	-1.0
- coarse grains	1 140.3	1 115.1	1 136.5	1.9
- rice (milled)	458.1	453.9	474.2	4.5

¹Includes rice in milled terms.

Note: Totals computed from unrounded data.

Figure 4. Ratio of major grain exporters supplies to normal market requirements¹



¹ Normal market requirements for major grain exporters are defined as the average of domestic utilization plus exports in the three preceding seasons.

tonnes (including rice in milled terms), 1.3 percent down from the previous year's record. Wheat production decreased only marginally, output of coarse grains is estimated down by 2.2 percent, and latest revisions for rice put the 2009 crop at less than one percent down from 2009.

Growth in world cereal utilization slows down in 2009/10

Latest information indicates that world cereal utilization in 2009/10 will grow only half as fast as in the previous season and reach 2 232 million tonnes, up 1.5 percent from 2008/09. In spite of a decline in the international prices of most cereals in the current season, total use is forecast to remain subdued due to sluggish growth in feed demand and slower expansion in industrial usage. Food consumption of cereals is forecast to reach 1 040 million tonnes, an increase equal to the estimated world population growth which keeps average world consumption, on a per caput basis, stable at around 152 kg per person. Total feed utilization is forecast to increase by less than one percent in 2009/10, to around 770 million tonnes. This relatively weak expansion follows a small contraction in the previous season. The economic recession in developed countries has contributed to the slowing of growth in feed utilization as consumers in many of those countries have cut back on their meat consumption. By contrast, feed usage in the developing countries is expected to register a growth of roughly 2.4 percent this season, almost twice as fast as in the previous season. Total industrial usage of cereals is forecast to show relatively weaker growth than in the past, mostly because of slower expansion in the usage of maize by ethanol producers in the United States due to less favourable margins. According to the official forecasts, the United States is expected to use 109 million tonnes of maize for production of ethanol in

2009/10 (September/August marketing season), up 17 percent from 2008/09. If this figure materializes, this increase will fall short of a 5-year average expansion rate of over 27 percent per year.

Higher levels of world cereal stocks

World cereal stocks by the close of the seasons ending in 2010 are expected to

reach 532 million tonnes, up 21 million tonnes, or 4 percent, from their already high opening levels. This would result in the ratio of world cereal stocks to utilization to approach 24 percent, one percentage point above the previous season's ratio and the highest since 2003.

World wheat stocks by the close of seasons in 2010 are forecast at 198 million tonnes, up more than 10 percent from

Table 2. Basic facts of the world cereal situation (*million tonnes*)

	2007/08	2008/09	2009/10	Change: 2009/10 over 2008/09 (%)
PRODUCTION¹				
Wheat	625.2	683.8	682.4	-0.2
Coarse grains	1 079.5	1 140.3	1 115.1	-2.2
Rice (milled)	440.4	458.1	453.9	-0.9
All cereals	2 145.1	2 282.3	2 251.5	-1.3
Developing countries	1 203.3	1 236.7	1 227.3	-0.8
Developed countries	941.8	1 045.6	1 024.2	-2.0
TRADE²				
Wheat	112.1	139.2	120.5	-13.4
Coarse grains	130.8	113.4	110.0	-3.0
Rice	30.1	29.7	31.3	5.3
All cereals	273.1	282.3	261.9	-7.2
Developing countries	85.2	72.9	66.0	-9.5
Developed countries	187.8	209.5	195.9	-6.5
UTILIZATION				
Wheat	639.9	653.9	663.2	1.4
Coarse grains	1 067.4	1 101.0	1 114.7	1.2
Rice	435.9	444.7	453.9	2.1
All cereals	2 143.2	2 199.6	2 231.7	1.5
Developing countries	1 306.1	1 337.2	1 360.4	1.7
Developed countries	837.1	862.4	871.3	1.0
Per caput cereal food use (<i>kg per year</i>)	151.4	152.1	152.0	-0.1
STOCKS³				
Wheat	146.2	179.2	197.9	10.4
- main exporters ⁴	29.2	46.6	55.1	18.3
Coarse grains	171.7	208.0	210.8	1.3
- main exporters ⁴	69.0	80.1	84.5	5.5
Rice	110.6	124.1	123.5	-0.5
- main exporters ⁴	26.5	32.9	24.8	-24.6
All cereals	428.5	511.3	532.2	4.1
Developing countries	305.2	343.5	347.7	1.2
Developed countries	123.2	167.8	184.6	10.0

¹ Data refer to calendar year of the first year shown.

² For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown.

³ Data are based on an aggregate of carryovers level at the end of national crop years and, therefore, do not represent world stock levels at any point in time.

⁴ The major wheat and coarse grain exporters are Argentina, Australia, Canada, the EU and the United States. The major rice exporters are India, Pakistan, Thailand, the United States and Viet Nam.

their relatively high opening level. The anticipated increase would put the world stock-to-use ratio for wheat at a seven year high of 30 percent. Two consecutive years of record production helped in replenishing world wheat reserves. Stocks held by the major exporters are forecast to climb to 55 million tonnes, up 18 percent from their already high level at the start of the season.

Global stocks of **coarse grains** at the close of seasons in 2010 are forecast to reach 211 million tonnes, up slightly from the previous season's already very high level. A record production in 2008 boosted reserves in the previous season and while world output contracted in 2009, the slower growth in total utilization in the 2009/10 marketing season is expected to result in a further rise in this year's ending stocks. The global stock-to-use ratio for coarse grains would remain around 19 percent. The increase in the current season's stocks is expected to be more pronounced among the traditional exporting countries with their aggregate inventories rising to a 4-year high of 84.5 million tonnes.

World **rice** inventories at the close of the marketing years ending in 2010 are now forecast to fall by about 1 percent from their 2009 level to close to 124 million tonnes. This level is slightly more than previously anticipated, a reflection of better than expected production estimates, mainly for Asia. The contraction in world rice carryover from last year would mainly stem from drawdowns in major rice exporting countries, principally India, but also Pakistan, Viet Nam and Thailand. However, larger crops are forecast to boost rice reserves in the United States and in China (Mainland). Likewise, inventories held by rice importing countries, such as Bangladesh, the Republic of Korea, the Islamic Republic of Iran, Brazil and the European Union are projected to rise for the third consecutive year.

World cereal trade contracts in 2009/10, mostly wheat

World trade in **cereals** is forecast at 262 million tonnes in 2009/10, down 7 percent from the record in 2009/10. The sharp contraction is mostly driven by weaker import demand for wheat while trade in coarse grains is anticipated to decline less significantly and world rice trade is forecast to expand rather sharply.

World **wheat** trade in 2009/10 (July/June) is forecast at 120.5 million tonnes, down 13 percent from the previous season's record. The bulk of this decline is expected in Asia (mainly in the Near East) and North Africa, where several countries harvested above-average or bumper crops in 2009. In response to lower import demand, shipments from many countries are expected down significantly from the previous season with the largest declines in the EU (-7 million tonnes) and in the United States (-4 million tonnes). In Argentina, tight supplies driven by two season's of extremely poor harvests, could limit exports to only 2 million tonnes, which some 8 million tonnes less than its normal level. Smaller supplies are also seen to lower shipments from Ukraine (-3.4 million tonnes), but wheat exports from the Russian Federation are forecast to match the previous season's peak, at nearly 18.5 million tonnes, underpinned by more competitive export prices, and also by the recent strengthening of the US dollar. Shipments from Kazakhstan are forecast to remain at the previous season's level of around 7.5 million tonnes, which is below its potential, largely because of the limitation imposed by high transport costs.

World trade in **coarse grains** in 2009/10 (July/June) is forecast to reach 110 million tonnes, down 3 percent from the previous season and 16 percent below the record in 2007/08. This fall in trade is in part due to good domestic production levels in many importing countries, while ample global supplies of alternative

grains for feed, such as wheat, have also contributed to this trend, particularly in the EU. Reduced purchases are forecast for several countries in Asia and Africa while total imports into Latin America and the Caribbean are likely to remain unchanged from the previous season. From an export perspective, among the leading exporters, declines in sales from Argentina, the EU and the Russian Federation are expected to more than offset the anticipated increases in shipments from the United States and Brazil.

World trade in **rice** in 2010 is currently foreseen to reach 31.3 million tonnes (milled rice basis), 1 million tonnes more than previously forecast and 5 percent above the 2009 revised trade estimate of 29.7 million tonnes. The upward revision follows indications of smaller production than earlier anticipated in 2009 in a number of importing countries, which will require them to increase their reliance on imports this year. Compared to the latest 2009 estimates, imports in 2010 are now foreseen to increase substantially in Asian countries, in particular Bangladesh, Iraq, Malaysia, Nepal, the Philippines, Thailand and Yemen. In the other regions, Madagascar and Brazil are among those likely to step up rice purchases, given prospects of smaller 2010 crops. By contrast, several countries may find themselves in a position to cut their rice purchases. This mainly concerns the Chinese Province of Taiwan, Indonesia, the Islamic Republic of Iran, Mali, Saudi Arabia, Senegal and the Russian Federation. In several instances, the cuts would also be imputable to the reinstatement or rising of import duties, which had been temporarily suspended or lowered when international prices soared in 2008.

Large availabilities in exporting countries are expected to enable them to accommodate the increased demand without major pressure on prices. Among those expected to step up exports in 2010 are Cambodia, China, Egypt,

Myanmar, Pakistan, Thailand and the United States. By contrast, Brazil, India and Uruguay, which face supply constraints, may cut their deliveries.

International cereal prices continue to decline

International prices for all major cereals have fallen considerably since the start of the year. In spite of small increases in recent weeks, the downward pressure stemming from ample export supplies and prospects for large crops in 2010 continued to weigh on international prices. The **FAO Cereal Price Index** averaged 155 points in April 2010, down 9 percent, or 15 points, from December 2009 and as much as 44 percent from its April 2008 all time high of 274 points. Movements of international grain prices have become more volatile in recent weeks on mixed prospects for this year's harvests in some areas, trading activities and exchange rate developments. In **wheat** markets, the benchmark US wheat (HRW, No. 2, f.o.b.) averaged USD 200 per tonne in April, down slightly from the previous month but almost 10 percent below its level at the start of the year. Wheat prices rose slightly during the first week of May, mostly driven by strong export sales. International prices of major coarse grains also weakened since the beginning of the year with the representative US **maize** prices (yellow, No. 2, f.o.b.) averaging USD 156 per tonne in April, down 6 percent from December 2009. Maize prices made

some gains during the first week in May on news of China purchasing large amount of maize from the United States and the expectation of further purchases later in the year. However, the rising US dollar and record planting progress in the United States coupled with ideal weather conditions limited the gain.

The rebounding of **rice** international prices observed at the end of 2009 came to an end by January 2010. This temporary strength was indeed associated to the launching of large tenders in the Philippines, which triggered concerns over a repetition of the surges observed in late 2007 and early 2008. However, with demand from the Philippines subsiding, low purchasing

interest from other major importing countries and large availabilities in hands of exporters, in the first quarter of 2010, world rice prices resumed the downward trend that characterized the market for most of 2009. These movements were reflected in the FAO All Rice Price Index, which passed from 251 points in January 2010 to 208 points in April 2010. The weakening has been widespread, as sluggish world import demand negatively affected all the rice market segments. The completion of the 2009 secondary crop harvests in northern hemisphere countries and of the 2010 crops in southern hemisphere countries are likely to keep prices under downward pressure in the coming months.

Table 3. Cereal export prices* (USD/tonne)

	2009	2010				
	May	Jan.	Feb.	Mar.	Apr.	May
United States						
Wheat ¹	265	213	207	204	200	201
Maize ²	180	167	162	158	156	165
Sorghum ²	167	177	169	167	160	166
Argentina ³						
Wheat	210	236	221	211	228	242
Maize	185	177	164	160	161	173
Thailand ⁴						
Rice white ⁵	555	601	575	540	496	479
Rice, broken ⁶	315	426	410	384	337	321

*Prices refer to the monthly average. For May 2010, two weeks average.

¹ No.2 Hard Red Winter (Ordinary Protein) f.o.b. Gulf.

² No.2 Yellow, Gulf

³ Up river, f.o.b.

⁴ Indicative traded prices.

⁵ 100% second grade, f.o.b. Bangkok.

⁶ A1 super, f.o.b. Bangkok.

Low-Income Food-Deficit Countries food situation overview¹

Early outlook for 2010 cereal crops mixed in LIFDCs

With the bulk of the 2010 cereal crops still to be planted, FAO's first forecast for the 2010 cereal production of the LIFDCs as a group points to a crop of about 965.3 million tonnes, a slight increase from the good level of the past two years. This early and tentative forecast assumes a return to average growing conditions for the main paddy seasons in Asia, which have started or are about to start.

The outlook for the crops in the ground or being harvested is mixed. In Southern Africa, the harvesting of an above-average 2010 main maize crop is underway but the aggregate output of the LIFDCs is forecast some 10 percent below the previous year's record level due to unsatisfactory weather conditions this season in several countries. Lower outputs, although still above the 5-year average, are anticipated in all countries of the subregion, except in Lesotho, Zambia and Zimbabwe. In North Africa, prospects for the 2010 winter wheat crops, about to be harvested, are favourable in Egypt where the crop is irrigated, but uncertain in Morocco due to erratic rains since planting. In Far East Asia, the impact of dry weather during the 2010 winter season on irrigated wheat and first season rice crops was less than earlier anticipated. Wheat

outputs in China, India and Pakistan are estimated only slightly lower than the 2009 record levels while rice outputs are better than last year's corresponding season, except in the Philippines, which was affected by floods. In the Near East and CIS countries, growing conditions for the 2010 winter cereal crops are generally satisfactory but a drop of yields from last year's record levels is anticipated. However, in Kyrgyzstan, spring wheat plantings are seriously delayed following civil disturbances.

2009 cereal production close to previous year's record

The 2009 aggregate cereal output in LIFDCs has been revised upwards and is now estimated virtually unchanged from the record level of 2008. The revision reflects higher than anticipated crops

in Asia. Excluding China and India, the aggregate production of the rest of the LIFDCs is seen to increase by a significant 6 percent. Bumper cereal crops were harvested in countries of North and Southern Africa, CIS in Asia, Near East and Central America and the Caribbean. However, production declined by 7 percent in Eastern Africa countries and by 10 percent in Sahelian countries of Western Africa.

Cereal imports and import bill sharply down in 2009/10

Following another record cereal production in 2009, particularly in the larger importer countries of North Africa and the Near East, and high levels of carryover stocks, imports from LIFDCs in marketing year 2009/10 or 2010 are forecast to decline by 11 percent to almost 85 million tonnes.

A reduction in import volume combined with generally lower international prices is expected to result in a cut in the total cereal import bill of the LIFDCs as a group, which is forecast to reach USD 23.5 billion, down 23 percent from the previous season and 37 percent below

Table 4. Basic facts of the Low-Income Food-Deficit Countries (LIFDCs)¹ cereal situation (million tonnes)

	2007/08	2008/09	2009/10	Change: 2009/10 over 2008/09 (%)
Cereal production²	906.4	944.2	943.8	-0.1
<i>excluding China Mainland and India</i>	292.8	307.1	325.5	6.0
Utilization	961.1	988.1	1 006.3	1.8
Food use	660.0	675.7	684.4	1.3
<i>excluding China Mainland and India</i>	280.2	290.4	296.6	2.2
Per caput cereal food use (kg per year)	154.4	155.7	155.6	-0.1
<i>excluding China Mainland and India</i>	156.5	158.9	159.3	0.2
Feed	173.5	176.5	181.1	2.6
<i>excluding China Mainland and India</i>	43.9	46.5	48.7	4.8
End of season stocks³	251.5	286.2	291.7	1.9
<i>excluding China Mainland and India</i>	49.4	56.9	59.2	4.2

¹ The Low-Income Food-Deficit (LIFDC) group of countries includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006), which is in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocation of food aid.

¹ Includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006).

² Data refer to calendar year of the first year shown.

³ May not equal the difference between supply and utilization because of differences in individual country marketing years.

the peak in 2007/08 when world prices of most cereals surged to all-time highs. Among the LIFDCs, the most pronounced decline in this season's cereal import bills is forecast for Africa, down 25 percent from the previous season, mainly driven by much lower wheat imports by countries in North Africa. A sharp decline of about 21 percent is also forecast for Asia, where recovery in production of wheat as well as coarse grains has considerably lowered import requirements by several countries.

Food prices remain at above pre-crisis level

In LIFDCs food prices have declined from their peaks of 2008 reflecting the generally good cereal harvests of 2009 and lower international export prices. However, in most countries, prices remain higher than in the pre-food price crisis period of late-2007/early-2008 giving cause of concern for the food security of vulnerable populations.

In Eastern Africa, prices of maize have dropped markedly since the beginning of the year following the arrival of the new crop into the market and prospects of good secondary cereal harvests. However, prices of sorghum have continued to increase due to the poor 2009 harvest, particularly in Sudan where they have doubled their level of a year ago.

In Southern Africa, prices of the main staple maize that had moderately increased during the lean season from January to March, declined in April with the start of the 2010 harvest.

In Western Africa, prices of cereals that dropped from October reflecting the new 2009 harvest, generally increased in the first quarter of 2010, particularly in Sahel countries affected by a reduced cereal production, notably in Niger and Burkina Faso.

In Asia, prices of rice have increased since the beginning of the year in several countries, including Bangladesh, India and Pakistan, but declined in Sri Lanka

Table 5. Cereal production¹ of LIFDCs (million tonnes)

	2008	2009	2010	Change: 2010 over 2009 (%)
Africa (43 countries)	123.4	126.6	126.7	0.1
North Africa	26.6	30.9	27.8	-10.0
Eastern Africa	32.7	30.3	32.7	8.0
Southern Africa	11.9	14.8	13.4	-9.1
Western Africa	49.1	47.5	49.4	4.0
Central Africa	3.3	3.1	3.4	9.0
Asia (25 countries)	816.0	813.2	834.3	2.6
CIS in Asia	13.1	14.5	14.4	-1.0
Far East	793.9	784.6	804.5	2.5
- China (Mainland)	419.7	416.0	416.3	0.1
- India	217.4	202.3	218.9	8.2
Near East	9.0	14.1	15.4	9.7
Central America (3 countries)	1.8	1.8	1.9	3.7
Oceania (5 countries)	0.0	0.0	0.0	0.0
Europe (1 country)	3.0	2.2	2.3	6.5
Total (77 countries)	944.2	943.8	965.3	2.3

¹ Includes rice in milled terms.

Note: Totals computed from unrounded data.

Table 6. Cereal import position of LIFDCs (thousand tonnes)

	2008/09 or 2009	2009/10 or 2010			
		Requirements ¹		Import position ²	
		Total imports:	of which food aid	Total imports:	of which food aid pledges
Africa (43 countries)	46 868	40 554	3 479	18 720	1 834
North Africa	20 767	16 197	0	12 260	0
Eastern Africa	8 823	8 288	2 479	3 274	1 224
Southern Africa	3 677	2 948	385	2 264	382
Western Africa	11 651	11 168	455	859	201
Central Africa	1 951	1 953	159	63	28
Asia (25 countries)	45 252	41 552	1 222	24 334	593
CIS in Asia	6 249	5 325	41	3 382	34
Far East	22 495	21 223	900	12 706	320
Near East	16 508	15 003	281	8 246	239
Central America (3 countries)	1 774	1 810	173	1 094	160
Oceania (5 countries)	391	391	0	2	0
Europe (1 country)	102	96	0	61	0
Total (77 countries)	94 387	84 403	4 873	44 211	2 587

¹ The import requirement is the difference between utilization (food, feed, other uses, exports plus closing stocks) and domestic availability (production plus opening stocks).

² Estimates based on information available as of mid-April 2010.

Note: Totals computed from unrounded data.

with the harvest of the 2010 first season paddy crop in March.

In Central America and the Caribbean, in Honduras and Nicaragua, prices of main staple maize began to rise again in late 2009 reflecting unsatisfactory second season harvests. In Guatemala, prices of maize increased some 20 percent in the last three months. By contrast, in Haiti, prices of imported rice, after the sharp increase following the January earthquake, decreased in the past two months.

Table 7. Cereal import bill in LIFDCs by region and type
(July/June, USD million)

	2004/05	2005/06	2006/07	2007/08	2008/09 estimate	2009/10 f'cast
LIFDC	17 301	16 481	22 840	37 496	30 461	23 490
Africa	8 350	8 286	10 397	19 170	15 200	11 425
Asia	8 592	7 827	11 949	17 402	14 616	11 480
Latin America and Caribbean	270	283	392	630	489	451
Oceania	77	77	92	171	121	106
Europe	11	9	10	123	35	28
Wheat	10 253	10 086	13 378	22 936	20 202	14 058
Coarse grains	2 561	2 254	3 310	4 324	4 361	3 569
Rice	4 487	4 142	6 151	10 236	5 899	5 862

Regional reviews

Africa

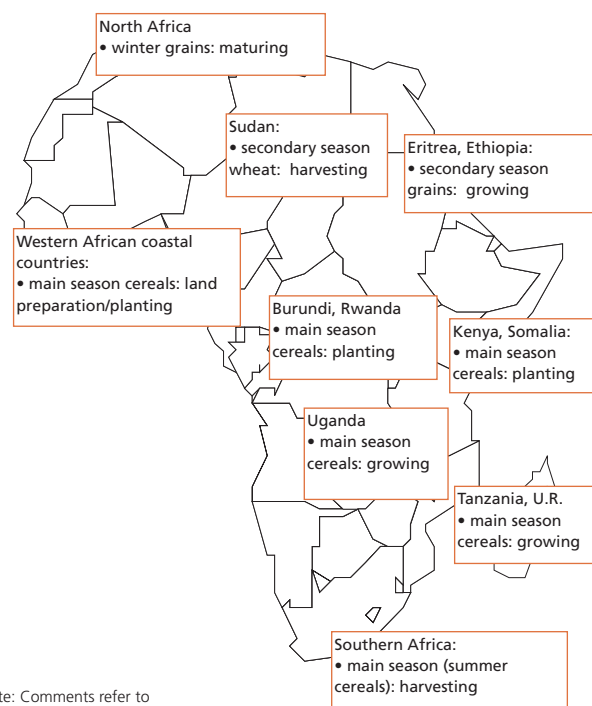
North Africa

Overall crop prospects remain mixed

Harvesting of the 2010 winter cereal crops is due to start from June in most countries of the subregion. Production prospects remain mixed. In **Egypt**, the largest producer of the subregion, the outlook is favourable, principally for the irrigated wheat crop. Harvest prospects are also favourable in **Algeria**, where in addition to adequate weather conditions since the beginning of the growing season, the continuation of the Government price incentive programme has kept planted area close to the previous year's high level. By contrast, in **Morocco** and **Tunisia** prospects are less favourable and smaller crops are expected this year, mainly as a consequence of insufficient soil moisture at planting and subsequent erratic rains in the main growing areas. Weather conditions during spring will be critical for crop yields in these countries. Overall, FAO forecasts the subregion's aggregate wheat output at 17.6 million tonnes, 13 percent down from the good crop of 2009 but 8 percent above average.

Wheat imports expected to decline in 2009/10 (July/June) following last year's good crop

The aggregate wheat harvest for the subregion increased by some 40 percent compared to 2008 to some 20 million tonnes. As a result, aggregate imports of wheat in 2009/10 (July/June) are forecast to drop by 26 percent to about 17 million tonnes. The good wheat production combined with a significant decline in international commodity prices, have also helped to reduce inflation rates and have improved access to food in most countries.



Note: Comments refer to situation as of April.

Western Africa

Onset of seasonal rains allow for the start of the cropping season

In **western Africa**, rains started in April in the southern parts of the coastal countries, allowing land preparation and sowing of the first 2010 maize crops, for harvest from next July. Planting of coarse grains will progress northwards in these countries following the onset of the rains. By contrast, seasonably dry conditions prevail in the Sahelian zone where planting is scheduled for June.

Irregular rains in 2009 affected cereal production and pasture in parts of the Sahel.

Latest official estimates put the 2009 aggregate cereal production in the nine Sahelian countries at some 15.9 million tonnes, 10 percent lower than the 2008 bumper crop but still about 10

Table 8. North Africa cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
North Africa	14.3	20.3	17.6	10.9	15.5	13.9	7.3	5.7	6.0	32.5	41.5	37.6	-9.4%
Algeria	1.6	3.6	4.0	0.6	2.5	1.9	-	-	-	2.2	6.0	5.9	-1.7%
Egypt	8.0	8.5	8.1	8.4	8.0	8.2	7.3	5.7	6.0	23.6	22.2	22.3	0.5%
Morocco	3.7	6.4	4.2	1.5	4.0	3.1	-	-	-	5.2	10.5	7.4	-29.5%
Tunisia	0.9	1.7	1.2	0.3	0.9	0.6	-	-	-	1.2	2.5	1.8	-28.0%

Note: Totals computed from unrounded data, '-' means nil or negligible.

percent above the average of the previous five years. Adverse weather conditions led to a significant drop in production in the eastern and central parts of the Sahel, notably in **Niger**, **Chad** and **Burkina Faso**. By contrast, favourable growing conditions boosted cereal production in the west (except in **Mauritania**) with record crops estimated in **Senegal** and the **Gambia**. A good cereal harvest was also gathered in the coastal countries along the Gulf of Guinea, although millet production declined in northern **Nigeria** due to late and poorly distributed rains.

In addition to the decline in cereal production, pastures were seriously affected in the pastoral and agro-pastoral zones of the Sahel. For instance, biomass production in pastoral areas of **Niger** in 2009 was estimated to be 62 percent below domestic requirements. This deficit is three times as severe as in the previous year. In **Chad**, a death rate of about 31 percent for cattle was reported in west-central areas, while in **Mali**, significant livestock deaths were reported in Timbuktu, Gao, Ségou and Kidal regions.

High food prices coupled with declining livestock prices in Sahel countries

Cereal prices have remained well above the pre-food price crisis levels two years ago, notably in the eastern and central

Table 9. Western Africa cereal production (million tonnes)

	Coarse grains			Rice (paddy)			Total cereals 1/			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Western Africa	42.5	40.5	41.9	10.2	11.0	11.8	52.8	51.6	53.8	4.3%
Burkina Faso	4.2	3.4	3.7	0.2	0.2	0.2	4.4	3.6	4.0	11.1%
Chad	1.6	1.4	1.5	0.2	0.1	0.2	1.8	1.6	1.7	6.3%
Ghana	2.0	2.2	2.1	0.3	0.4	0.4	2.3	2.6	2.5	-3.8%
Mali	2.7	3.0	2.9	1.3	1.6	1.8	4.1	4.7	4.7	0.0%
Niger	5.0	3.4	4.1	0.1	0.1	0.1	5.0	3.5	4.3	22.9%
Nigeria	21.5	21.0	21.8	4.2	4.3	4.5	25.8	25.4	26.4	3.9%

Note: Totals computed from unrounded data, '-' means nil or negligible.

1/ Total cereals includes wheat, coarse grains and rice (paddy).

Sahel countries. Although coarse grain prices declined from their peak of August-September 2008, millet prices in April 2010 in markets of **Niger** (Niamey), **Mali** (Bamako) and **Burkina Faso** (Ouagadougou) were still significantly higher than in the corresponding period of 2008 (see Figure 5). However, coarse grains prices are lower in the coastal countries along the Gulf of Guinea, reflecting abundant supplies in this part of the subregion. As a result, regional trade continues to follow the normal market pattern, allowing traders to move grains from northern **Benin** and **Nigeria** to **Niger**. The depreciation of the Naira (Nigeria currency) in recent months has contributed to the steady import/export flows. By contrast, livestock prices have declined significantly leading to significant deterioration of the terms-of-trade for pastoralists.

Figure 5. Millet prices in selected Western African markets

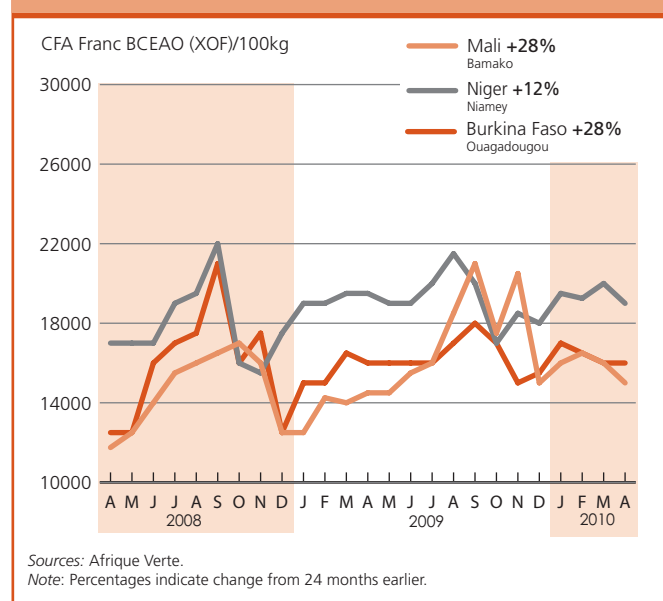
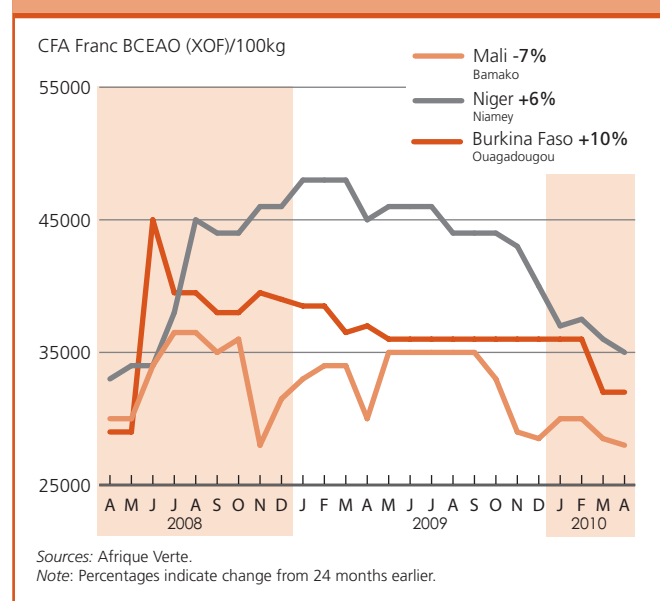


Figure 6. Imported rice prices in selected Western African markets



The food situation is of grave concern in the eastern and central parts of the Sahel

The combination of a fall in cereal production, poor rangeland conditions, and the continuing combination of poverty and persistent high food prices, has led to high food insecurity and increased malnutrition in affected countries. In **Niger**, the Government appealed for emergency assistance in early March to avert a food crisis that threatens large segments of the population. An estimated 2.7 million people located mostly in Maradi, Zinder and Tahoua regions need food assistance this year, while an additional 5.1 million are considered at risk of food insecurity. In **Chad**, approximately 2 million people are estimated to have been affected by the poor performance of cereal crops and pasture and need food assistance during 2010. In **Mali**, an estimated 629 000 people face food insecurity in western, northern and north-eastern parts. Most at risk in Mali are 258 000 people across 23 communes in Kayes in the west, Timbuktu in the central-north, and Gao and Kidal in the north and northeast. In **Burkina Faso**, thousands of people need assistance in the Sahel, centre-north, east and centre-east regions where pasture conditions were seriously affected. Urgent actions are needed in affected countries to prevent further deterioration of the food security situation.

Central Africa

Good start for the 2010/11 cropping season

Abundant rainfall in March and April has helped land preparation for planting of the 2010/11 cereal crops in the subregion. Sowing of the main maize crop began in March in southern regions of **Central African Republic** and **Cameroon**, where increasing government support to agriculture is expected to boost maize production.

Inadequate seasonal rains cause a fall in cereal production in 2009

Aggregate cereal production in the Central Africa subregion contracted in the 2009/10 cropping season due to poor rainfall levels in several areas and localized insecurity. The current

estimate, put at 3.3 million tonnes, is approximately 6 percent below last year's level, but nearly the same as the average of the previous five years. In **Cameroon**, one of the main cereal producers in the subregion, an extended dry spell during the growing season negatively impacted on the millet and sorghum crops in the main growing North and Extreme North regions. As a result total national cereal production is estimated to have declined by 11 percent, compared to 2008 levels. Moreover, localized insecurity in the subregion is hampering access to agricultural inputs and disrupting normal trade routes, impeding agricultural recovery.

Maize prices fall while rice prices remain stable in Cameroon

In Yaoundé, **Cameroon**, the average monthly price of maize in March 2010 was about 12 percent lower than the high levels recorded in May 2009. Generally, prices in Yaoundé and Doula, the two largest cities in the country, remain higher than other markets across Cameroon. Prices of rice, a food commodity that is mostly imported, have fluctuated very little between March 2009 and March 2010 reflecting the relative stability in international prices observed during 2009.

Increased number of refugees fleeing conflict affected areas

Persistent civil insecurity is impeding agricultural recovery and restricting humanitarian work in the region. Armed clashes in the Equateur province in the **Democratic Republic of Congo** led to more than 100 000 civilians crossing the border into the **Republic of Congo** and the **Central African Republic** at the end of 2009. The influx of refugees placed additional demand on the already strained food supply situation of Likouala Province, in the north-east of the Republic of Congo, reportedly causing a rise in prices of staple foods. A similar situation is reported in eastern parts of the Central African Republic, where civil conflict has exacerbated the poor food security situation. Already, an estimated 1.2 million people are categorized as food-insecure across the country. An emergency operation to

distribute food to the affected population in the Republic of Congo is currently underway, for an initial period of six months ending in June 2010. Furthermore, the decline in the millet and sorghum production in the far north of **Cameroon** is likely to aggravate food insecurity conditions. The situation needs to be closely monitored.

Table 10. Central Africa cereal production (million tonnes)

	Coarse grains			Rice (paddy)			Total cereals 1/			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Central Africa	3.0	2.8	3.1	0.4	0.5	0.5	3.4	3.3	3.6	9.1%
Cameroon	1.6	1.3	1.6	0.1	0.1	0.1	1.6	1.5	1.7	13.3%
Central Africa Rep.	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	0.0%

Note: Totals computed from unrounded data, '-' means nil or negligible.

1/ Total cereals includes wheat, coarse grains and rice (paddy).

Eastern Africa

Early prospects favourable for main season cereal crops in 2010

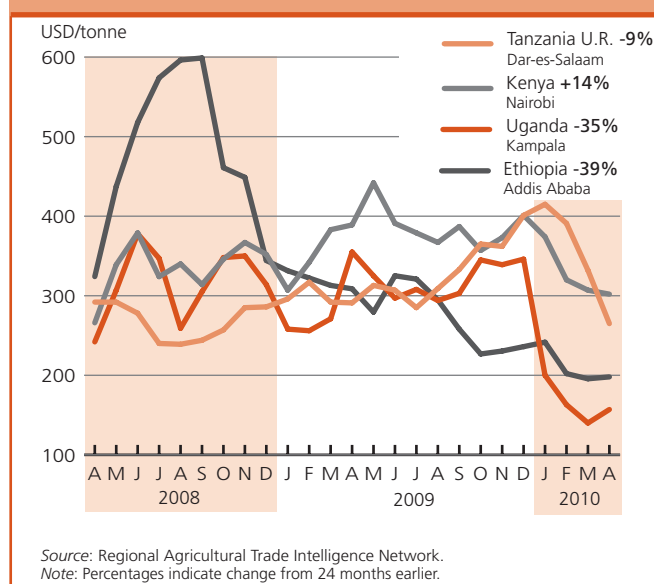
Planting of 2010 main season cereal crops has just started in Kenya ("long rains"), Somalia "gu", northern Tanzania "masika", Southern Sudan and Uganda, while it has already been completed in southern Tanzania ("msimu") and it is expected to start in June in Ethiopia, Eritrea and North Sudan. Planting of the secondary "belg" season crops, for harvest from June, is well underway in Ethiopia. Generally, above-average rains have improved soil moisture across the subregion, with an expansive effect on cereal planted area. Eastern and south-eastern Ethiopia, southern Somalia and eastern Kenya benefited also from prolonged unseasonable rains between October and December 2009 that caused some localized floods but improved pasture conditions and water availability in most pastoralist and agro-pastoralist areas previously affected by successive seasons of poor rains. Animal body conditions and milk production are gradually improving, while calving, kidding and lambing rates are expected to rise further in the coming months if favourable weather conditions continue.

2009 aggregate cereal output declined markedly from previous year

Aggregate 2009 cereal output is estimated at nearly 31 million tonnes, some 2.3 million tonnes less than the good harvest obtained in 2008. This was mainly due to late and below-average rains from March to July 2009 that affected agricultural activities and hindered crop growth, especially sorghum.

Civil conflicts continue to negatively impact on the food security situation of the subregion, disrupting markets and hampering food aid distribution. In particular, the civil insecurity situation has further deteriorated in most areas of southern and central Somalia, particularly in Mogadishu, parts of Juba, Hiran, Mudug and Galgadud regions with escalating displacements of civilian population. Political tensions also persist in Southern Sudan and Darfur, with linkages to the recent presidential elections and the registration for the coming referendum for self-determination of South Sudan. The difficult food situation in several countries following reduced main season cereal harvests, has temporarily improved during the first quarter of 2010 as the newly harvested 2009 main season crops became

Figure 7. Maize prices in selected Eastern African markets



available in the markets, mainly Kenya ("short-rains"), Somalia ("deyr"), Tanzania ("vuli", in bimodal areas) and Uganda, harvested in February-March 2010. The total number of food insecure people in the subregion is currently estimated at about 18.5 million people, mainly concentrated in southern Sudan, eastern Ethiopia, central and northern Somalia and north-eastern Uganda. This number is expected to increase in the coming months as countries are entering into the hunger season, especially in areas that were affected by drought last year where food stocks are being exhausted quickly.

Cereal prices decreasing in main markets but still above pre-crisis level

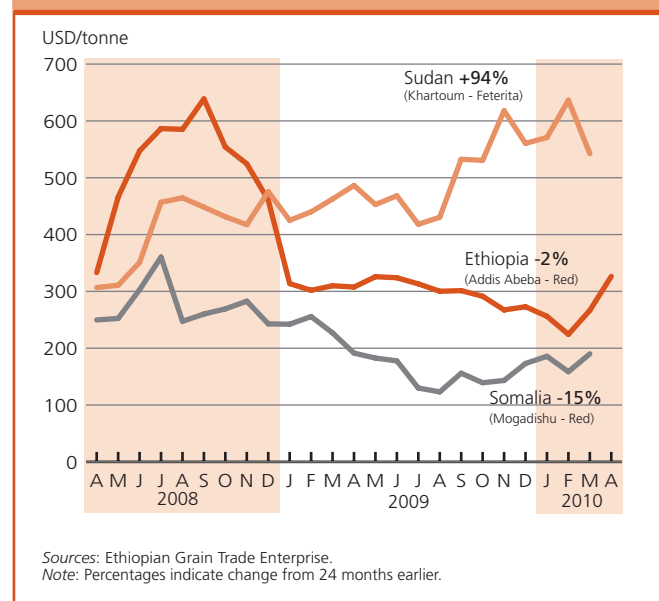
Wholesale prices of main cereals in the subregion have declined sharply since the beginning of the year with the arrival on markets

Table 11. Eastern Africa cereal production (million tonnes)

	Wheat			Coarse grains			Total cereals 1/			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Eastern Africa	3.7	3.8	4.1	27.7	25.2	27.2	33.3	31.0	33.5	8.1%
Ethiopia	2.7	3.0	3.0	12.7	11.2	11.7	15.4	14.4	14.9	3.5%
Kenya	0.2	0.2	0.3	2.3	2.5	3.2	2.6	2.8	3.5	25.0%
Sudan	0.6	0.4	0.6	4.9	3.1	4.0	5.5	3.6	4.7	30.6%
Tanzania U.R.	0.1	0.1	0.1	4.6	4.3	4.4	6.0	5.7	5.9	3.5%
Uganda	-	-	-	2.4	2.8	2.7	2.6	3.0	2.9	-3.3%

Note: Totals computed from unrounded data, '-' means nil or negligible.

1/ Total cereals includes wheat, coarse grains and rice (paddy).

Figure 8. Sorghum prices in selected Eastern African markets

of the newly harvested production. However, the majority of food prices in April 2010 are still between 30 and 60 percent higher than in the end of 2007, when food prices started to climb worldwide (except in Addis Ababa wholesale market). In Kenya, food prices remain at above average levels, partly due to inflated transportation costs for imported maize following the congestion at Mombasa port. In Nairobi, the April 2010 wholesale price of maize was USD 302 per tonne compared to USD 266 per tonne in April 2008. In contrast with the food price trend in the subregion, in Somalia, maize and sorghum prices have increased between January and March 2010 in most southern areas reflecting a low 2009 "gu" production and suspension in food aid distribution. In Juba region, despite the good 2009/10 Deyr production, cereal prices are also increasing

due to the worsening security situation that is disrupting markets and restricting trade movements. In Sudan, after registering record levels at the end of 2009, in anticipation of a poor 2009 harvest, wholesale prices of sorghum have slightly declined in most markets. In Uganda, food prices started to sharply decline in October 2009 when traders released their stocks in response to the good prospects of the second season crop production. In April 2010, wholesale maize prices in Kampala dropped to USD 157 per tonne, less than half the average price of the last quarter of 2009. In the United Republic of Tanzania, wholesale prices of maize in Dar es Salaam market reached record levels in January 2010. Despite quickly dropping again, by 36 percent in the last two months, the current price of USD 265 per tonne is still more than double the average level before the food price crisis.

Southern Africa

Another record cereal harvest expected in 2010, but aggregate output decline if South Africa excluded

In **Southern Africa** the 2009/10 main season coarse grains (mostly maize) are being harvested. Weather conditions this season have been less favourable than in the previous year in several countries, but an above-average **coarse grain** crop is still anticipated, mainly due to larger plantings and the effect on yields of continued availability of subsidized inputs through government-supported programmes. However, production prospects vary considerably among countries.

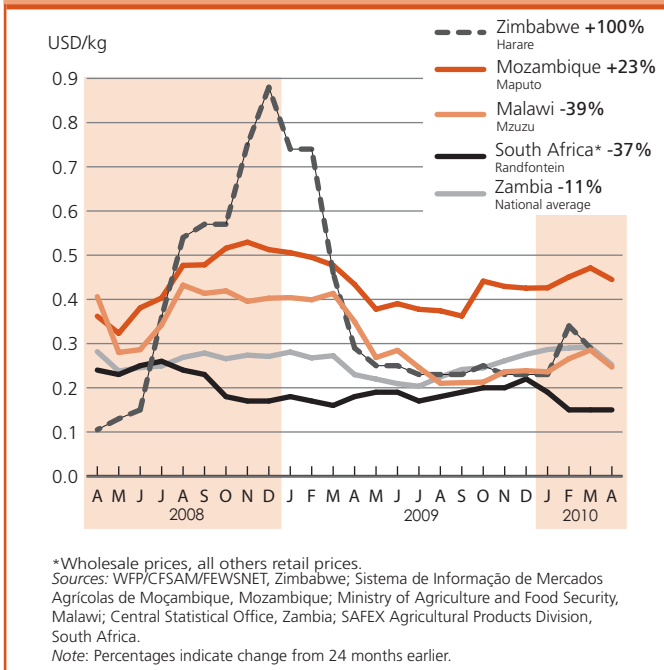
After an early start of the rains in October, which favoured plantings and an early establishment of maize and other coarse grain crops in most countries, dry weather set in from mid-December through January in parts of Botswana, Malawi, Mozambique and Zimbabwe reducing expectations of another bumper crop in these countries. Rains resumed in February and March but, although too late to reverse damage for early planted

Table 12. Southern Africa cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Southern Africa	2.4	2.2	2.1	22.5	24.7	24.7	4.4	4.6	4.4	29.4	31.5	31.2	-1.0%
- excl. South Africa	0.3	0.3	0.3	8.8	11.5	10.4	4.4	4.6	4.4	13.5	16.5	15.1	-8.5%
Madagascar	-	-	-	0.4	0.4	0.4	4.1	4.2	4.0	4.5	4.6	4.4	-4.3%
Malawi	-	-	-	2.9	3.7	3.0	0.1	0.1	0.1	3.0	3.9	3.1	-20.5%
Mozambique	-	-	-	2.1	2.4	2.0	0.2	0.3	0.3	2.3	2.6	2.3	-11.5%
South Africa	2.2	1.9	1.8	13.7	13.2	14.3	-	-	-	15.9	15.1	16.1	6.6%
Zambia	0.2	0.2	0.2	1.5	2.0	2.1	-	-	-	1.7	2.2	2.3	4.5%
Zimbabwe	-	-	-	0.8	1.5	1.6	-	-	-	0.8	1.6	1.6	0.0%

Note: Totals computed from unrounded data, '-' means nil or negligible.

Figure 9. White maize prices in selected Southern African markets



crops, they were beneficial for late planted maize and sorghum and in some areas allowed additional plantings to take place. Weather conditions were favourable throughout the season in South Africa and Zambia, where another sizable increase in output is anticipated, and average in other countries.

In aggregate, the subregion's 2010 coarse grain harvest is preliminary estimated at 24.7 million tonnes, the same as the 2009 record, and some 23 percent larger than the average of the previous five years. The largest increase in absolute and relative terms is expected in **South Africa**. Excluding South Africa, the subregional coarse grain production in 2010 is about 10 percent lower than in 2009, but still some 14 percent above the previous five years' average. Larger plantings in several countries, including drought-affected Mozambique and Zimbabwe, have partly offset the decline in yields per hectare this year. Although lower than in 2009, average or above-average maize and other coarse grain crops are estimated for **Angola, Mozambique, Malawi, and Zimbabwe**, while in **Botswana, Lesotho, Namibia and Zambia** larger or near record crops are anticipated. Only **Madagascar** is currently expected to have a reduced and below average coarse grain crop this year due to drought in the South.

For **rice** and **wheat**, early 2010 crop forecast point to a reduction in the production of the subregion. This mainly reflects the expectation of a smaller rice crop in **Madagascar** due to unfavourable weather and reduced wheat output in **South Africa**, where plantings are expected to be reduced.

Cereal import requirements in 2010/11 expected to rise in Southern Africa

Lower 2010 cereal crops are expected to result in higher cereal import requirements for several countries in the 2010/11 marketing year (mostly April/March) compared to the reduced level estimated at 6.2 million tonnes in the preceding 2009/10 year that has just ended. However, a clear picture of imports in 2010/11 will emerge only when the final production estimates for the crops now being harvested become available. The extent of the increase in cereal imports depends greatly on how much of the expected deficit due to the lower production this year will be met by drawing from stocks accumulated in the 2009/10 marketing year. Of the countries expected to have increased cereal deficits in 2010/11, Angola, Malawi and Mozambique had replenished stocks (mostly maize) in the last season and could use some of them to meet consumption requirements and minimize imports. Other countries in the subregion and especially South Africa, but also Zambia will have ample supplies of maize for export and would be well placed to meet the subregional maize import needs. Wheat and rice imports which come almost exclusively from outside the subregion will increase in 2010/11 reflecting increased demand and the expected lower production of rice in Madagascar and of wheat in South Africa.

Prices of staple food stable or declining in the subregion

In the 2009/10 marketing year (April/March) prices of staple foods declined markedly compared with those prevailing in the previous marketing year throughout the subregion. This reflected the increased domestic availability for maize and lower international prices for imported wheat and rice.

Prices of maize have moderately increased in recent months following normal seasonal trends in most countries but lately price movements have mostly reflected the different crop prospects in individual countries and the arrival on the market of new crop supplies. In South Africa, for example, the expectations of another near record maize crop has led to a 21 percent decline in March maize prices from January to a level some 27 percent below a year earlier.

Great Lakes Region

The secondary 2010 A season beans and cereal crop harvested early in the year was below average and only marginally above the poor crop in the previous year in **Burundi** but was considerably better in neighbouring **Rwanda**. Prospects for the main season 2010 B crops (harvest in June) are favourable in both countries, following abundant rains in recent months. In Burundi, the food situation is still normal but it is likely to deteriorate in the lean period before the new harvest becomes available in areas where the 2010A

crop was mostly reduced. By contrast, the food situation is satisfactory in Rwanda where a series of good crops have been harvested since 2008. The different outlook for food security is reflected in the movement of prices of staple foods which have increased in Burundi in recent months while they have fallen in Rwanda.

In the **Democratic Republic of Congo**, secondary season maize crop for harvest in 2010 in the centre and extreme southern parts, and of cassava and rice in the south benefited from above-average rains since planting

in October and good crops are expected to be harvested. Although no official figures are available, cereal production is estimated to have increased in the last two years owing to generally favourable weather. Food prices remain high although they have declined from the early 2009 peaks. The depreciation of the Congolese franc (by 30 percent in the last year) has been mostly responsible for the high prices of many foods which are imported (approximately a third of the total national cereal supply is imported).

Asia

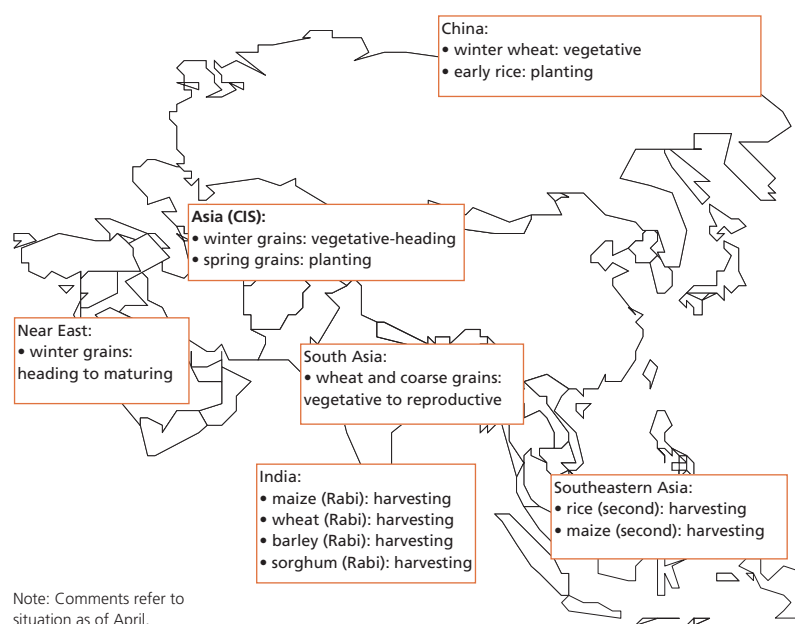
Far East

2010 winter wheat harvest estimated to be slightly lower than last year

Harvest of winter crops such as wheat and barley is nearly complete in the main wheat producing countries - **China, India, and Pakistan**. According to official estimates, 2010 wheat harvests are lower than in 2009, in all three countries. The aggregate wheat harvest for the subregion is forecast by FAO at about 221 million tonnes or about 2.5 million tonnes below the previous year's record crop. This year several countries faced drought due to lack of rains during the growing period from November 2009 to April 2010¹. However, given that most of the crops during the winter season are irrigated, the damage was not severe. Nonetheless, relatively high temperatures and reduced irrigation water supplies affected the overall productivity of winter crops and resulted in localized crop failures.

Rice harvests from the 2010 winter season expected to be better than the previous year

Rice is also grown in the first season of 2010, mostly under irrigation, as a secondary crop in **Myanmar, Thailand, Lao PDR,**



Cambodia and India, and as a main crop in **Bangladesh and Indonesia**. Given the irrigation and intensive cultivation practices, per hectare productivity in this season is generally better than in the main monsoon season that follows the dry period. In spite of the drought in the region, harvest of rice from the current season (harvest up to June) is expected to be slightly better than the corresponding season the previous year. In the **Philippines**, however, a reduced rice harvest is expected this season following a cyclone and floods earlier in the year.

¹ See GIEWS Update on Drought in Southeast Asia - <http://www.fao.org/giews/english/shortnews/seasia250310.htm>

Table 13. Far East cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Far East	215.7	223.4	220.9	258.9	246.9	251.8	618.5	609.0	638.2	1 093.0	1 079.3	1 110.9	2.9%
Bangladesh	0.8	1.0	1.0	1.4	0.5	0.5	47.0	50.0	50.5	49.2	51.4	52.0	1.2%
Cambodia	-	-	-	0.6	0.8	0.7	7.2	7.6	7.8	7.8	8.3	8.4	1.2%
China	112.5	115.0	113.0	175.9	167.0	167.0	193.4	197.2	200.4	481.7	479.1	480.4	0.3%
India	78.6	80.7	80.3	39.6	34.0	37.9	148.8	131.3	151.0	266.9	246.0	269.2	9.4%
Indonesia	-	-	-	13.9	17.6	18.1	60.3	64.3	64.9	74.2	81.9	83.0	1.3%
Korea Rep. of	-	-	-	0.4	0.4	0.4	6.5	6.6	6.5	6.9	7.0	6.9	-1.4%
Korea DPR	0.2	0.2	0.2	1.8	1.8	1.8	2.0	2.3	2.4	4.0	4.3	4.4	2.3%
Myanmar	0.2	0.2	0.2	1.3	1.3	1.3	30.5	31.0	32.0	32.0	32.5	33.5	3.1%
Nepal	1.4	1.3	1.6	2.3	2.2	2.3	4.5	4.0	4.3	8.2	7.5	8.2	9.3%
Pakistan	21.0	24.0	23.7	4.1	3.7	4.1	10.4	10.0	10.1	35.5	37.7	37.9	0.5%
Philippines	-	-	-	6.9	7.1	7.0	17.1	16.0	17.4	24.0	23.1	24.4	5.6%
Thailand	-	-	-	4.5	4.5	4.2	31.6	29.8	31.6	36.1	34.3	35.8	4.4%
Viet Nam	-	-	-	4.5	4.4	4.8	38.7	38.9	38.8	43.3	43.3	43.6	0.7%

Note: Totals computed from unrounded data, '-' means nil or negligible.

Figure 10. Far East cereal production trend

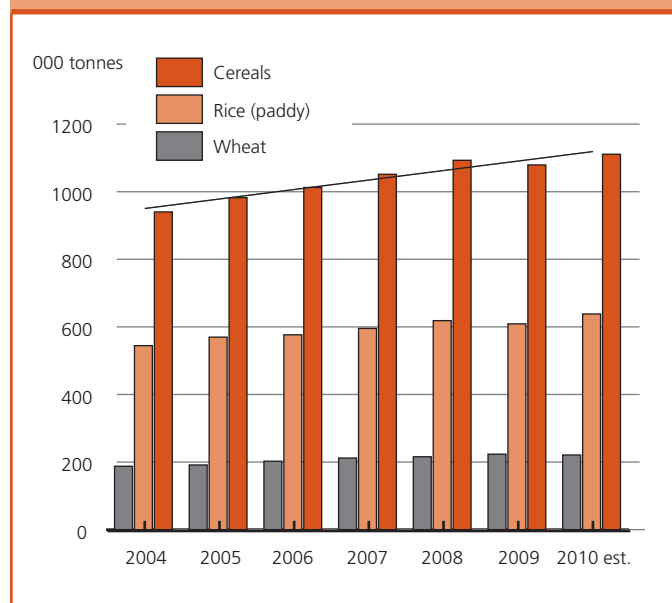
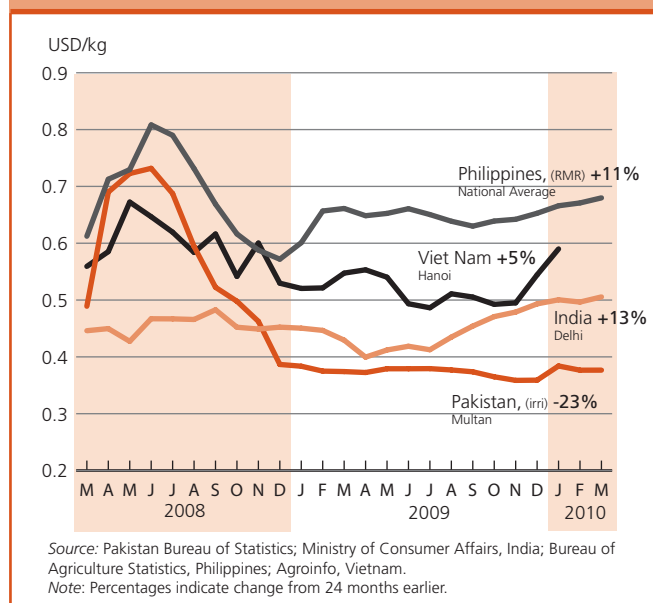


Figure 11. Rice retail prices in selected Asian countries



2010 aggregate cereal harvest early forecast above average

Based on production estimates of the winter crop as well as forecast of normal weather during the monsoon season, the 2010 aggregate annual cereal production for the Far East subregion, is forecast at about 1 100 million tonnes. However, the bulk of the 2010 rice crop is still to be planted in the subregion. This early tentative forecast would represent an annual growth of about 2.9 percent over the previous year's level when drought reduced India's crops.

Food prices are still high in several countries

Nominal prices, in US dollar terms, of staple food commodities, mainly rice and wheat, have generally declined from the 2008 peak but remain significantly above their pre-2008 food-crisis

levels in several countries. The price impact on overall food consumption of the vulnerable population is still expected to be substantial. Prices of rice have been increasing in **India** since the second half of 2008 and currently are above their levels of a year ago 5 percent in Chennai to 42 percent in Patna. Retail prices of rice have also been rising since late 2009 in **Bangladesh**, the **Philippines**, **Pakistan** and **Myanmar**. In exporting countries such as **Thailand** and **Viet Nam**, rice prices (in local currencies) have declined since January 2010 due to strong international demand.

Prices of wheat in **India** and **Pakistan** have also been rising steadily since October 2008. Recent increases are attributed to concerns over the unfavourable harvests of the current 2010 *Rabi* season. In **Afghanistan**, prices of wheat have been coming down since the 2009 bumper harvest in the country.

Table 14. Near East cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Near East	35.7	45.4	47.2	16.3	18.7	20.1	3.8	4.3	4.5	55.8	68.5	71.7	4.7%
Afghanistan	2.6	5.1	4.5	0.6	0.8	0.7	0.6	0.7	0.7	3.9	6.6	5.9	-10.6%
Iran Islamic Rep. of	9.8	13.0	14.0	2.9	3.2	4.0	2.2	2.7	2.8	14.9	18.9	20.8	10.1%
Iraq	1.3	1.4	2.1	0.6	0.6	1.2	0.2	0.2	0.2	2.2	2.1	3.5	66.7%
Syrian Arab Republic	2.1	4.0	4.5	0.4	1.0	1.2	-	-	-	2.6	5.0	5.7	14.0%
Turkey	17.8	20.6	21.0	10.8	12.2	12.1	0.8	0.8	0.8	29.3	33.5	33.8	0.9%

Note: Totals computed from unrounded data, '-' means nil or negligible.

Near East

Mixed prospects for 2010 winter crops

Harvesting of 2010 winter wheat and barley crops is expected to start in May. Production prospects are generally favourable with beneficial precipitations across Turkey and in northern and central Iraq assisting the filling of winter grains. By contrast, dry and windy weather conditions persisted in March 2010 along the eastern Mediterranean coast, affecting crop production in Israel, Lebanon and coastal areas of the Syrian Arab Republic. In Turkey, planting of 2010 maize crop is underway in main growing areas of Aegean, Cukurova and south-east Anatolia regions and planted area is likely to decline giving way to cotton and soybean for which government subsidies have recently been increased.

Asian CIS

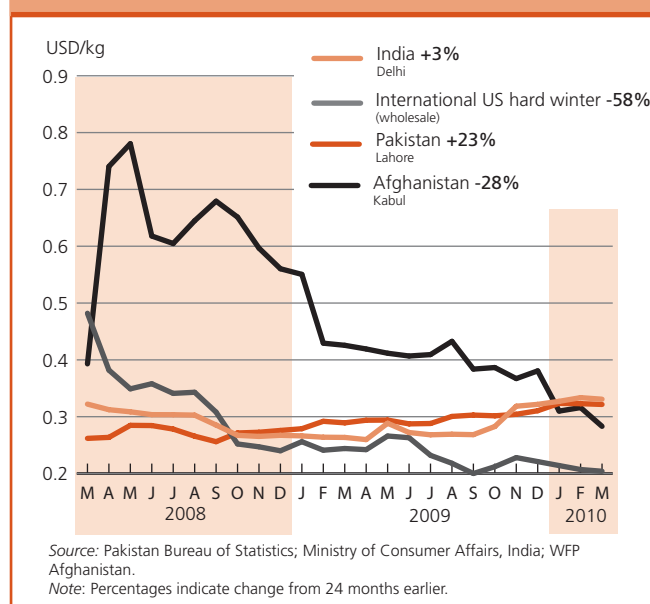
Mixed prospects for cereal production in 2010

In the eight Asian CIS countries, conditions for the winter cereal crops are mostly satisfactory. Planting of spring cereals has started or is about to start in most countries. Precipitation throughout the subregion has been average in most cropping areas in April, but temperatures have been below normal. The cold weather conditions have resulted in delayed plantings as compared with the normal sowing time. This is likely to reduce yield potential and the 2010 cereal production in the Asian CIS countries in aggregate is expected to be slightly below last year's record level.

The crop conditions and prospects differ among countries. Winter cereal crops are satisfactory in **Uzbekistan, Turkmenistan** and **Azerbaijan**, but less favourable in **Georgia** due to extremely wet weather during planting and in **Armenia**, mainly due to the difficult economic situation of farmers and low supplies of inputs, mainly fertilizers. Lower production is also anticipated in Tajikistan and Kyrgyzstan. In **Tajikistan**, a number of villages have faced problems in the aftermath of the earthquake in January, and in addition, 20 out of 58 districts were hit by small-scale floods and mudslides triggered by heavy rains in April. In **Kyrgyzstan** the social unrest since early April, has negatively affected plantings of spring cereals.

The main producer of cereals in this group of countries (60 percent of the total) is **Kazakhstan** where the bulk of the crop is sown in the spring. Plantings have just started and the area is expected around

Figure 12. Wheat retail prices in selected Asian countries and international US hard winter wheat



last year's bumper level but delays in field operations could result in lower plantings and yields than last year.

Food supply satisfactory

The food supply situation has generally improved in the subregion following the record cereal crop of 2009. Prices of main staple bread and wheat flour have declined or stabilized in most countries. However, they are still higher than in pre-crisis period of mid-2008

Overall, food security in the countries of the subregion has been affected by the slump of remittances (Armenia, Georgia, Kyrgyzstan, Tajikistan, and Uzbekistan) and increasing unemployment.

Table 15. CIS Asia cereal production (million tonnes)

	Wheat			Coarse grains			Total cereals 1/			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
CIS in Asia	26.5	28.9	28.8	5.1	5.7	5.4	32.2	35.2	34.8	-1.1%
Azerbaijan	1.6	1.9	1.8	0.7	0.6	0.6	2.3	2.5	2.4	-4.0%
Kazakhstan	16.0	17.0	17.0	2.7	3.3	3.0	19.0	20.6	20.3	-1.5%
Kyrgyzstan	0.8	1.1	1.0	0.7	0.7	0.7	1.5	1.8	1.7	-5.6%
Uzbekistan	6.1	6.6	6.5	0.3	0.3	0.3	6.6	7.1	7.0	-1.4%

Note: Totals computed from unrounded data, '-' means nil or negligible.

1/ Total cereals includes wheat, coarse grains and rice (paddy).

Latin America and the Caribbean

Central America and the Caribbean Planting of the main cropping season is about to start or underway in most Central American countries

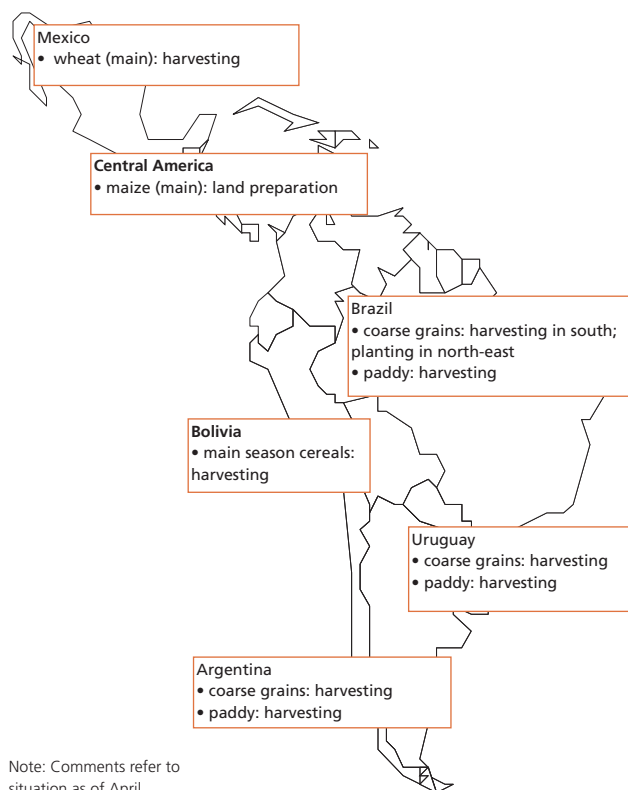
Harvesting of mostly irrigated 2010 winter wheat crop is underway in **Mexico**, virtually the only producer of the subregion. The 2010 aggregate wheat production (including the secondary crop still to be planted) is forecast close to the record output obtained in 2009.

In **Costa Rica, El Salvador, Honduras, Nicaragua** and **Guatemala** planting of the 2010 main season coarse grain and paddy crops (mainly rain-fed) is underway while harvesting of the 2009 second and third maize and bean crops was completed by the end of March.

The 2009 aggregate maize production in the subregion (excluding Mexico) is estimated at more than 3.9 million tonnes, almost 7 percent higher than previous year despite a drought-reduced harvest in areas of the subregional "Corredor Seco".

In the Caribbean, planting of the 2010 main rice crop is well advanced. Sowing of the main maize crop is about to start in **Dominican Republic, Cuba** and **Haiti** where erratic rains may negatively affect planting prospects in parts.

The 2009 paddy production in the Caribbean subregion was generally well above average and the total output is estimated at 1.4 million tonnes.

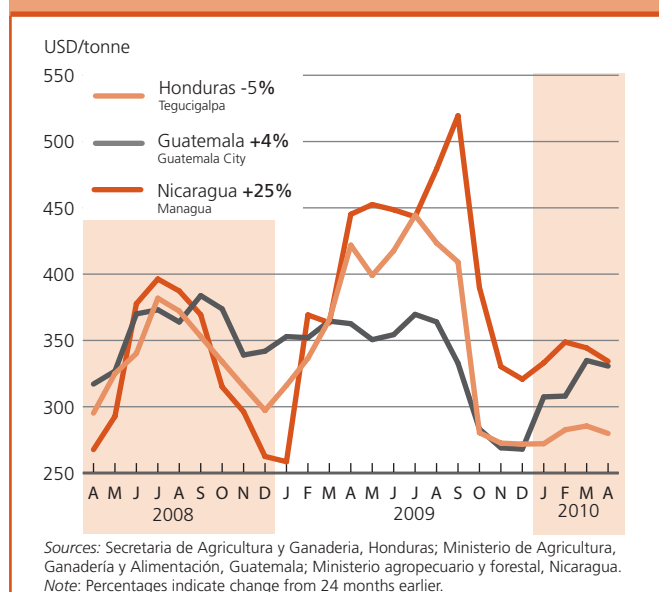


Note: Comments refer to situation as of April.

South America 2010 main coarse grain crops expected to recover from previous year's low performance

Harvesting of 2010 main season rice and coarse grain crops is well advanced in southern areas of the subregion, while in the Andean countries is about to start. The aggregate paddy production is forecast at almost 24 million tonnes, slightly below the record harvest of 2009. Preliminary estimates indicate an aggregate coarse grains production of more than 91 million tonnes, a strong recovery from the low harvest gathered in 2009 and more than 7 percent above the last five years' average. The increased production is mainly on account of the favourable weather conditions throughout the growing and maturing stages of the crops in contrast with the severe drought that severely reduced yields in 2009. In **Brazil**, the 2010 maize production is anticipated to be the second highest on record, with more than 52.5 million tonnes to be harvested while in **Argentina** the output is estimated at an average level of some 18 million tonnes. Good coarse grains harvests are also expected in Uruguay and Paraguay, following a notable increase in planted areas. By contrast, in **Chile**, unseasonably cold temperatures at the beginning of the planting season resulted in a decline of 20 percent in the area sown compared to normal levels, while damage to the irrigation system caused by the recent earthquake might further reduce production.

Figure 13. Wholesale white maize prices in selected countries in Central America



Sources: Secretaria de Agricultura y Ganaderia, Honduras; Ministerio de Agricultura, Ganaderia y Alimentación, Guatemala; Ministerio agropecuario y forestal, Nicaragua.
Note: Percentages indicate change from 24 months earlier.

Elsewhere in the subregion, **Venezuela** is experiencing prolonged drought conditions since the end of 2009. Planting of the 2010 main maize crop is underway and the area is expected to decrease significantly from previous year. In **Bolivia** harvesting of 2010 mainly rain-fed summer cereals is ongoing in major growing areas with satellite images indicating a normal vegetation activity.

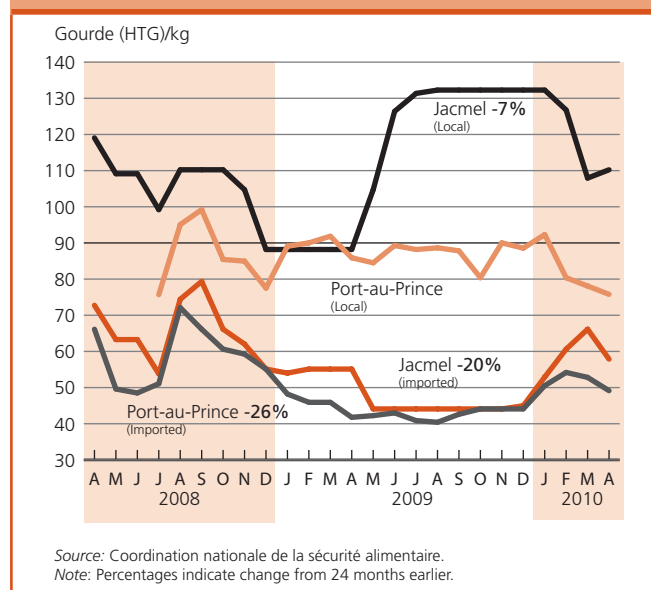
Prices of maize are increasing in Central American countries while in Haiti are declining to pre-earthquake level

Prices of maize in countries of Central America have reversed the downward trend that was recorded during the second half of 2009 and have generally increased in the first quarter of 2010, reflecting reduced second season cereal harvests. However, maize prices are still lower than a year ago. In Guatemala City, as of April 2010, wholesale white maize prices were almost one-quarter higher than in December 2009, reflecting expectations of a longer than usual lean season in areas affected by drought last year.

In **Haiti**, quotations of the imported rice in major markets, after increasing sharply following the January earthquake, have declined in April as a result of the improved supply combined with the slow recovery of the purchasing power of affected households.

In all main cereal producing countries of South America, after a general decline recorded last year, prices of wheat and rice have remained overall stable in the first months of 2010. However, in **Colombia**, due to smaller supply of rice from the central producing states affected by drought conditions, prices of wholesale rice (second quality) in the market of Bogotá sharply increased in recent months. In **Argentina**, wheat prices in March 2010 were 20 percent higher than one year earlier due to the 2009 poor wheat production.

Figure 14. Retail rice prices in Haiti



Food security continues to give cause of concern in Haiti and parts of Central America

In **Haiti**, despite an overall satisfactory food supply in major markets, food security deteriorated after the earthquake for a large number of displaced population. As of March 2010, official estimates indicate that almost 3 million people, more than 30 percent of national population, do not have adequate access to food. In **Guatemala, Honduras** and **Nicaragua**, poor and erratic rainfall over the so-called "Corredor Seco" of Central America, extending from central Guatemala to southern Honduras and northern Nicaragua, locally affected maize and bean production with losses to the 2009 second and third cropping seasons. As a result, in Nicaragua, about 20 000 most vulnerable families are estimated to have depleted food reserves earlier than usual this year while in Guatemala this number rises to 145 000.

Table 16. Latin America and Caribbean cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
Central America & Caribbean	4.0	4.1	4.1	36.1	34.5	34.3	2.5	2.7	2.8	42.6	41.4	41.2	-0.5%
El Salvador	-	-	-	1.2	1.1	1.2	-	-	-	1.2	1.1	1.2	9.1%
Guatemala	-	-	-	1.0	1.3	1.3	-	-	-	1.1	1.3	1.3	0.0%
Honduras	-	-	-	0.6	0.6	0.6	-	-	-	0.6	0.6	0.7	16.7%
Mexico	4.0	4.1	4.1	31.9	30.1	29.7	0.2	0.3	0.2	36.1	34.4	34.1	-0.9%
Nicaragua	-	-	-	0.6	0.6	0.6	0.3	0.3	0.3	0.9	0.9	0.9	0.0%
South America	17.2	16.5	19.9	101.9	82.8	91.1	23.8	25.1	24.1	142.8	124.5	135.1	8.5%
Argentina	8.4	7.5	10.7	27.0	16.9	23.4	1.2	1.3	1.4	36.6	25.7	35.5	38.1%
Brazil	5.9	4.9	5.4	61.6	53.5	55.0	12.1	12.6	11.5	79.6	71.0	71.9	1.3%
Chile	-	-	-	1.9	1.8	1.8	2.4	2.8	2.9	4.3	4.7	4.8	2.1%
Colombia	1.1	1.2	1.2	1.8	1.8	1.6	0.1	0.1	0.1	3.1	3.1	2.9	-6.5%

Note: Totals computed from unrounded data, '-' means nil or negligible.

North America, Europe and Oceania

North America

Wheat production to decline sharply in United States

In the **United States**, following a sharp decline in winter wheat plantings which at most could be only partially offset by an expected 2 percent increase in the spring wheat (durum and other) area, wheat output in 2010 is forecast to decline. The latest official figures in May put aggregate wheat output at 55.6 million tonnes, about 8 percent down from last year's crop.

The bulk of the maize planting in the United States got underway in April. According to the Prospective Plantings Report in April, farmers were expected to increase the area of maize in 2010 to about 36 million hectares at least (35 million hectares in 2009) following the reduction of wheat sowing and due to higher profitability expected for maize. However, with generally favourable weather prevailing in April the final area may turn out even larger. The latest official figures for the 2010 maize output as of early May point to a possible record crop of about 340 million tonnes.

In **Canada**, planting of the spring grain crops started in April. The wheat area is forecast to decrease by 7 percent this year, as farmers are expected to switch to more profitable oilseeds and pulses. Thus, wheat output in 2010 is forecast somewhat below the recent average at 24 million tonnes.

Europe

Cereal production slightly down in 2010

The overall cereal production in the region in 2010 is forecast at 462 million, marginally down from last year's crop, with most of the reduction expected among the European CIS countries.

In the **EU**, prospects for 2010 wheat output remain favourable: the crops planted last autumn emerged from the winter in generally good condition and weather for spring planting was also satisfactory. The total wheat area is expected to be up for the 2010 crop and output is forecast at about 143 million tonnes, up 3 percent from last year. Coarse grains output may decline however, largely reflecting a sharp reduction in barley plantings due to a switch to more profitable wheat or oilseeds. In all the **European CIS** countries, in particular in the Republic of Belarus, the sowing of spring cereals started late due to cold weather. Plantings of winter cereal crops were also delayed in most countries due to a combination of dry weather followed later by heavy rains. A long and cold winter has likely increased winterkill this year. In **Ukraine**, although the cereal area for the 2010 harvest may be close to last year's level, reduced yields are expected in response to lower fertilizer use, and output is forecast to decline. In the **Russian Federation**, the largest producer of cereals, the aggregate cereal production is forecast to decline from the above-average levels of the previous year on account of lower yields. In the **Republic of Belarus**, frosts during winter are likely to have reduced yield potential for winter crops. In the **Republic of Moldova**, economic problems are limiting access of farmers to agricultural inputs and cereal yields could decline from last year.

Table 17. North America, Europe and Oceania cereal production (million tonnes)

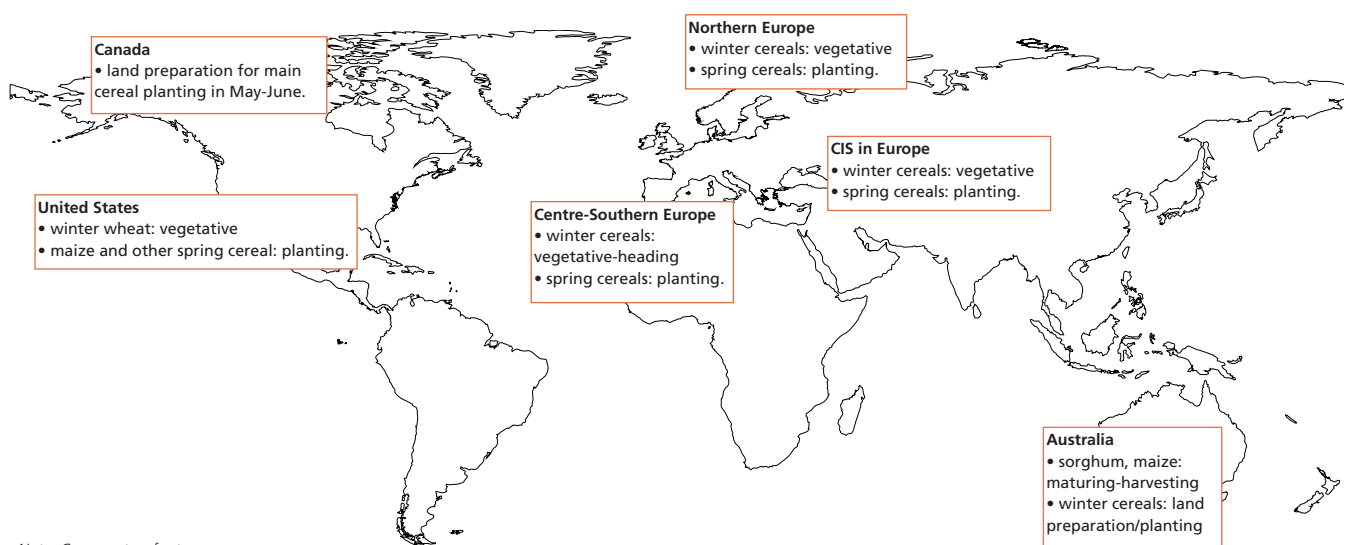
	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009
North America	96.6	86.8	79.6	353.6	372.5	382.2	9.2	10.0	10.8	459.5	469.3	472.6	0.7%
Canada	28.6	26.5	24.0	27.4	22.5	24.7	-	-	-	56.0	49.0	48.7	-0.6%
United States	68.0	60.3	55.6	326.3	350.0	357.5	9.2	10.0	10.8	403.5	420.3	423.9	0.9%
Europe	246.2	228.9	228.5	247.8	231.7	229.0	3.4	4.2	4.3	497.5	465.0	461.9	-0.7%
EU	150.6	139.4	143.3	163.3	154.6	152.7	2.5	3.2	3.2	316.5	297.2	299.3	0.7%
Serbia and Montenegro	2.1	2.1	2.1	7.0	6.9	6.7	-	-	-	9.2	9.0	8.8	-2.2%
CIS in Europe	90.8	84.9	80.6	72.1	65.3	64.6	0.8	1.0	1.1	163.8	151.2	146.3	-3.2%
Belarus	1.6	1.5	1.3	5.7	6.4	6.4	-	-	-	7.3	7.9	7.7	-2.5%
Russian Federation	63.8	61.7	60.0	41.8	33.4	32.1	0.7	0.9	1.0	106.3	96.1	93.1	-3.1%
Ukraine	24.2	20.9	18.5	23.0	24.0	24.6	0.1	0.1	0.1	47.3	45.1	43.2	-4.2%
Oceania	21.2	22.0	22.3	14.2	13.5	11.9	-	0.1	0.2	35.5	35.5	34.4	-3.1%
Australia	20.9	21.7	21.9	13.6	12.9	11.4	-	0.1	0.2	34.6	34.7	33.5	-3.5%

Note: Totals computed from unrounded data, '-' means nil or negligible.

Oceania

Favourable conditions for start of 2010 wheat season but poor price prospects cast doubt over planting levels

Early indications for the 2010 winter wheat crop, being planted as of April, are uncertain. Although favourable rains in the main growing areas have reportedly ensured the best pre-planting conditions for many years, poor prices in the face of rising input costs could lead many farmers to limit their plantings in favour of alternative crops such as oilseeds or pulses. Early tentative forecasts put the 2010 wheat crop at about 22 million tonnes, similar to last year's level. However, this figure will only start to firm up towards June, after the end of the main planting period, when actual planting estimates are available.



Note: Comments refer to situation as of April.

Table A1. Global cereal supply and demand indicators

	Average					
	2002/03 -					
	2006/07	2005/06	2006/07	2007/08	2008/09	2009/10
	(..... percentage.....)					
1. Ratio of world stocks to utilization						
Wheat	29.0	29.3	25.6	22.4	27.0	30.1
Coarse grains	17.0	18.1	15.2	15.6	18.7	18.7
Rice	25.3	24.4	23.9	24.9	27.3	27.6
Total cereals	22.3	22.8	20.1	19.5	22.9	23.8
2. Ratio of major grain exporters' supplies to normal market requirements						
	123	133	116	119	124	120
3. Ratio of major exporters' stocks to their total disappearance						
Wheat	20.9	23.1	15.9	11.9	16.9	21.5
Coarse grains	15.2	17.7	12.0	12.0	14.3	15.1
Rice	17.4	16.1	15.4	17.5	21.3	15.8
Total cereals	17.8	19.0	14.4	13.8	17.5	17.5
	Annual trend growth rate		Change from previous year			
	1999-2008	2005	2006	2007	2008	2009
	(..... percentage.....)					
4. Changes in world cereal production						
	2.1	-1.0	-1.6	6.2	6.4	-1.4
5. Changes in cereal production in the LIFDCs						
	1.6	4.9	4.5	2.1	4.2	-0.1
6. Changes in cereal production in LIFDCs less China and India						
	3.0	6.4	4.2	-1.0	5.1	5.9
	Average		Change from previous year			
	2003-2007	2006	2007	2008	2009	2010*
	(..... percentage.....)					
7. Selected cereal price indices:						
Wheat	106.2	17.1	49.1	31.5	-34.6	-10.8
Maize	103.5	23.3	34.1	36.5	-25.5	-2.7
Rice	118.6	9.9	17.3	83.7	-14.1	-12.2

Notes:

Utilization is defined as the sum of food use, feed and other uses.

Cereals refer to wheat, coarse grains and rice; **Grains** refer to wheat and coarse grains.

Major Grain Exporters are Argentina, Australia, Canada, the EU, and the United States; Major Rice Exporters are India, Pakistan, Thailand, the United States and Viet Nam.

Normal Market Requirements for major grain exporters are defined as the average of domestic utilization plus exports in the three preceding seasons.

Disappearance is defined as domestic utilization plus exports for any given season.

Price indices: The **wheat** price index has been constructed based on the IGC wheat price index, rebased to 2002-2004 = 100; For **maize**, the U.S. maize No. 2 Yellow (delivered U.S. Gulf ports) with base 2002-2004 = 100; For **rice**, the FAO Rice Price Index, 2002-2004 = 100, is based on 16 rice export quotations.

* January – April average.

Table A2. World cereal stocks¹ (million tonnes)

	2005	2006	2007	2008	2009 estimate	2010 forecast
TOTAL CEREALS	471.7	470.8	430.4	428.5	511.3	532.2
Wheat	180.7	182.2	163.8	146.2	179.2	197.9
held by:						
- main exporters ²	57.2	58.6	39.0	29.2	46.6	55.1
- others	165.3	123.7	124.8	117.0	132.7	142.8
Coarse grains	191.8	184.3	162.5	171.7	208.0	210.8
held by:						
- main exporters ²	92.7	89.9	59.8	69.0	80.1	84.5
- others	107.6	94.3	102.7	102.6	127.9	126.2
Rice (milled basis)	99.2	104.3	104.2	110.6	124.1	123.5
held by:						
- main exporters ²	19.3	23.4	23.1	26.5	32.9	24.8
- others	97.3	80.8	81.0	84.1	91.2	98.7
Developed countries	188.6	189.0	129.7	123.2	167.8	184.6
Australia	10.0	13.5	6.2	5.3	5.2	5.9
Canada	14.5	16.2	10.5	8.5	13.0	11.8
European Union ³	47.6	44.3	30.0	25.8	41.8	40.6
Japan	4.7	4.7	4.3	3.8	3.6	3.8
Romania ⁴	5.0	5.6	3.8	-	-	-
Russian Federation	9.1	9.3	6.5	8.3	17.1	18.9
South Africa	4.1	4.1	2.7	1.8	2.5	3.5
Ukraine	4.2	4.8	4.2	4.4	5.3	5.9
United States	74.7	71.7	49.9	54.3	65.9	80.1
Developing countries	283.1	281.7	300.8	305.2	343.5	347.7
Asia	237.1	238.1	254.2	262.9	293.9	299.6
China	152.8	149.0	163.0	167.6	188.5	199.5
India	26.7	25.8	28.5	35.5	41.7	34.0
Indonesia	5.3	4.7	5.3	5.6	6.6	8.6
Iran, Islamic Republic of	3.2	3.6	3.5	2.9	4.8	4.2
Korea, Republic of	2.5	2.5	2.2	3.0	2.6	2.7
Pakistan	2.1	3.2	2.4	3.1	3.4	4.2
Philippines	2.3	2.9	2.8	3.4	4.5	4.1
Syrian Arab Republic	4.3	3.7	2.8	1.4	1.0	2.1
Turkey	6.7	6.0	7.0	5.1	3.8	4.3
Africa	23.1	24.3	28.5	24.0	27.6	27.2
Algeria	3.6	3.7	3.8	4.0	3.5	4.2
Egypt	3.1	4.5	4.6	3.9	6.5	5.7
Ethiopia	0.1	0.1	0.2	1.1	1.6	1.0
Morocco	4.8	2.6	4.0	2.2	1.9	3.0
Nigeria	1.3	1.4	2.1	1.0	1.5	1.1
Tunisia	1.2	1.4	1.3	2.0	1.6	1.6
Central America	6.3	4.8	5.0	5.1	5.4	4.7
Mexico	4.6	2.9	3.0	3.1	3.7	2.9
South America	16.3	14.3	12.9	13.0	16.3	15.9
Argentina	5.3	4.9	4.1	5.9	2.2	2.8
Brazil	6.6	4.5	3.6	2.2	9.5	8.2

¹ Stock data are based on an aggregate of carryovers at the end of national crop years and do not represent world stock levels at any point in time.

² The major **wheat** and **coarse grains** exporters are Argentina, Australia, Canada, the EU and the United States. The major **rice** exporters are India, Pakistan, Thailand, the United States and Viet Nam.

³ Up to 2007 25 member countries, from 2008 27 member countries.

⁴ From 2008 included in the EU.

Note: Based on official and unofficial estimates. Totals computed from unrounded data.

Table A3. Selected international prices of wheat and coarse grains (USD/tonne)

Period	Wheat			Maize		Sorghum
	US No.2 Hard Red Winter Ord. Prot. ¹	US Soft Red Winter No.2 ²	Argentina Trigo Pan ³	US No.2 Yellow ²	Argentina ³	US No.2 Yellow ²
Annual (July/June)						
2003/04	161	149	154	115	109	118
2004/05	154	138	123	97	90	99
2005/06	175	138	138	104	101	108
2006/07	212	176	188	150	145	155
2007/08	361	311	318	200	192	206
2008/09	270	201	234	188	180	170
Monthly						
2008 – May	349	258	-	242	207	240
2008 – June	358	249	363	281	258	268
2008 – July	341	245	329	267	252	232
2008 – August	343	253	307	232	217	209
2008 – September	308	222	280	229	203	208
2008 – October	252	183	235	181	169	158
2008 – November	247	182	189	166	156	146
2008 – December	240	182	177	160	152	151
2009 – January	256	193	213	172	160	148
2009 – February	241	183	218	163	158	145
2009 – March	244	186	214	165	163	153
2009 – April	242	180	211	168	166	149
2009 – May	265	201	210	180	186	167
2009 – June	263	201	228	177	185	167
2009 – July	232	175	234	151	164	145
2009 – August	218	161	229	153	166	154
2009 – September	200	158	208	152	163	152
2009 – October	212	175	214	168	175	174
2009 – November	227	204	214	172	175	182
2009 – December	221	207	240	166	177	182
2010 – January	213	197	236	167	177	177
2010 – February	207	192	221	162	164	169
2010 – March	204	191	211	158	160	167
2010 – April	200	187	228	156	161	160
2010 – May (two weeks average)	201	196	242	165	173	166

¹ Delivered United States f.o.b Gulf.² Delivered United States Gulf.³ Up River f.o.b.

Sources: International Grain Council and USDA.

Table A4a. Cereal import requirements of Low-Income Food-Deficit Countries¹, 2009/10 or 2010 estimates (thousand tonnes)

	Marketing year	2008/09 or 2009 Actual imports			Total import requirements (excl. re-exports)	2009/10 or 2010 Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		43 587.8	3 280.4	46 868.2	40 554.4	18 720.0	1 834.2	16 885.8
North Africa		20 767.0	0.0	20 767.0	16 197.0	12 260.3	0.0	12 260.3
Egypt	July/June	15 146.0	0.0	15 146.0	13 026.0	10 123.1	0.0	10 123.1
Morocco	July/June	5 621.0	0.0	5 621.0	3 171.0	2 137.2	0.0	2 137.2
Eastern Africa		6 521.2	2 301.5	8 822.7	8 288.0	3 273.7	1 224.0	2 049.7
Burundi	Jan./Dec.	98.0	46.3	144.3	156.0	0.4	0.4	0.0
Comoros	Jan./Dec.	46.1	7.5	53.6	48.0	0.0	0.0	0.0
Djibouti	Jan./Dec.	87.7	21.0	108.7	91.0	2.5	2.1	0.4
Eritrea	Jan./Dec.	329.3	0.0	329.3	332.0	0.0	0.0	0.0
Ethiopia	Jan./Dec.	501.8	1 169.4	1 671.2	1 386.0	517.8	452.9	64.9
Kenya	Oct./Sept.	2 456.7	231.4	2 688.1	2 590.0	1 333.0	107.8	1 225.2
Rwanda	Jan./Dec.	104.7	24.0	128.7	175.0	0.0	0.0	0.0
Somalia	Aug./July	192.2	420.2	612.4	395.0	140.1	110.2	29.9
Sudan	Nov./Oct.	1 797.0	310.0	2 107.0	2 376.0	789.6	480.1	309.5
Uganda	Jan./Dec.	230.6	12.1	242.7	175.0	87.0	61.6	25.4
United Rep. of Tanzania	June/May	677.1	59.6	736.7	720.0	403.3	8.9	394.4
Southern Africa		3 230.8	446.3	3 677.1	2 948.0	2 263.7	382.1	1 881.6
Angola	April/March	836.7	0.0	836.7	755.0	428.6	0.0	428.6
Lesotho	April/March	200.6	0.3	200.9	238.0	205.4	3.1	202.3
Madagascar	April/March	206.4	10.8	217.2	184.0	75.2	17.5	57.7
Malawi	April/March	114.2	68.5	182.7	134.0	127.9	24.8	103.1
Mozambique	April/March	889.5	85.9	975.4	885.0	726.6	141.8	584.8
Swaziland	May/April	122.0	6.0	128.0	130.0	108.8	4.6	104.2
Zambia	May/April	133.3	6.6	139.9	57.0	33.4	1.6	31.8
Zimbabwe	April/March	728.1	268.2	996.3	565.0	557.8	188.7	369.1
Western Africa		11 288.8	362.1	11 650.9	11 168.4	859.3	200.5	658.8
Coastal Countries		8 568.8	139.0	8 707.8	8 373.0	357.5	22.9	334.6
Benin	Jan./Dec.	64.4	12.8	77.2	85.0	23.3	0.0	23.3
Côte d'Ivoire	Jan./Dec.	1 314.6	22.4	1 337.0	1 255.0	10.4	10.4	0.0
Ghana	Jan./Dec.	877.3	25.5	902.8	894.0	6.7	4.0	2.7
Guinea	Jan./Dec.	556.8	12.2	569.0	431.0	1.5	1.5	0.0
Liberia	Jan./Dec.	360.0	23.5	383.5	383.0	6.9	3.5	3.4
Nigeria	Jan./Dec.	5 180.0	0.0	5 180.0	5 080.0	301.3	0.0	301.3
Sierra Leone	Jan./Dec.	146.6	17.4	164.0	170.0	2.3	1.7	0.6
Togo	Jan./Dec.	69.1	25.2	94.3	75.0	5.1	1.8	3.3
Sahelian Countries		2 720.0	223.1	2 943.1	2 795.4	501.8	177.6	324.2
Burkina faso	Nov./Oct.	283.1	31.8	314.9	281.0	23.2	17.9	5.3
Chad	Nov./Oct.	72.2	86.4	158.6	180.7	99.7	74.6	25.1
Gambia	Nov./Oct.	111.3	5.1	116.4	95.2	19.1	8.7	10.4
Guinea-Bissau	Nov./Oct.	129.2	9.1	138.3	119.3	13.3	0.1	13.2
Mali	Nov./Oct.	257.5	11.3	268.8	226.3	34.3	15.1	19.2
Mauritania	Nov./Oct.	476.0	22.4	498.4	494.1	97.0	12.2	84.8
Niger	Nov./Oct.	293.1	42.7	335.8	413.0	28.6	18.2	10.4
Senegal	Nov./Oct.	1 097.6	14.3	1 111.9	985.8	186.6	30.8	155.8
Central Africa		1 780.0	170.5	1 950.5	1 953.0	63.0	27.6	35.4
Cameroon	Jan./Dec.	792.1	6.2	798.3	795.0	22.8	0.7	22.1
Cent.Afr.Rep.	Jan./Dec.	39.4	19.1	58.5	60.0	2.5	2.5	0.0
Congo	Jan./Dec.	321.5	3.7	325.2	334.0	12.1	1.6	10.5
Dem.Rep.of the Congo	Jan./Dec.	588.0	135.6	723.6	721.0	25.6	22.8	2.8
Equatorial Guinea	Jan./Dec.	27.8	0.0	27.8	28.0	0.0	0.0	0.0
Sao Tome and Principe	Jan./Dec.	11.2	5.9	17.1	15.0	0.0	0.0	0.0

Table A4b. Cereal import requirements of Low-Income Food-Deficit Countries¹, 2009/10 or 2010 estimates (thousand tonnes)

	Marketing year	2008/09 or 2009 Actual imports			Total import requirements (excl. re-exports)	2009/10 or 2010 Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
ASIA		43 886.0	1 365.8	45 251.8	41 551.5	24 333.5	593.3	23 740.2
CIS in Asia		6 155.1	93.9	6 249.0	5 325.0	3 381.5	34.4	3 347.1
Armenia	July/June	413.4	1.6	415.0	450.0	229.6	0.9	228.7
Azerbaijan	July/June	1 655.2	0.8	1 656.0	960.0	635.9	0.0	635.9
Georgia	July/June	541.9	19.1	561.0	655.0	475.9	4.1	471.8
Kyrgyzstan	July/June	537.0	10.0	547.0	359.0	230.5	9.1	221.4
Tajikistan	July/June	965.6	62.4	1 028.0	864.0	645.4	20.3	625.1
Turkmenistan	July/June	449.0	0.0	449.0	456.0	51.9	0.0	51.9
Uzbekistan	July/June	1 593.0	0.0	1 593.0	1 581.0	1 112.3	0.0	1 112.3
Far East		21 725.7	769.6	22 495.3	21 223.2	12 705.7	320.1	12 385.6
Bangladesh	July/June	2 788.4	256.3	3 044.7	2 750.0	2 697.2	54.7	2 642.5
Bhutan	July/June	56.9	0.0	56.9	56.0	0.0	0.0	0.0
Cambodia	Jan./Dec.	36.5	3.5	40.0	40.0	2.7	0.0	2.7
China (Mainland)	July/June	2 239.0	0.0	2 239.0	2 027.0	1 435.6	0.0	1 435.6
D.P.R. of Korea	Nov./Oct.	816.0	287.7	1 103.7	1 200.4	168.6	110.3	58.3
India	April/March	141.0	22.5	163.5	829.8	164.5	7.2	157.3
Indonesia	April/March	5 695.3	0.0	5 695.3	5 644.0	4 090.0	0.0	4 090.0
Lao, P.D.R.	Jan./Dec.	32.6	2.3	34.9	29.9	5.9	3.0	2.9
Mongolia	Oct./Sept.	231.4	52.2	283.6	188.0	129.5	0.0	129.5
Nepal	July/June	157.9	32.1	190.0	410.0	88.7	34.3	54.4
Pakistan	May/April	3 007.9	38.7	3 046.6	1 239.1	175.2	75.7	99.5
Philippines	July/June	5 218.9	10.3	5 229.2	5 640.0	3 497.3	19.6	3 477.7
Sri Lanka	Jan./Dec.	1 246.8	58.1	1 304.9	1 120.0	247.2	15.3	231.9
Timor-Leste	July/June	57.1	5.9	63.0	49.0	3.3	0.0	3.3
Near East		16 005.2	502.3	16 507.5	15 003.3	8 246.3	238.8	8 007.5
Afghanistan	July/June	2 420.0	464.0	2 884.0	1 794.3	1 474.3	191.9	1 282.4
Iraq	July/June	4 608.3	18.7	4 627.0	5 025.0	3 751.3	17.2	3 734.1
Syrian Arab Republic	July/June	5 094.5	11.9	5 106.4	4 814.0	2 839.0	17.9	2 821.1
Yemen	Jan./Dec.	3 882.4	7.7	3 890.1	3 370.0	181.7	11.8	169.9
CENTRAL AMERICA		1 570.5	203.8	1 774.3	1 810.0	1 093.9	159.8	934.1
Haiti	July/June	472.0	175.3	647.3	630.0	472.8	157.6	315.2
Honduras	July/June	713.1	9.2	722.3	765.0	434.6	1.1	433.5
Nicaragua	July/June	385.4	19.3	404.7	415.0	186.5	1.1	185.4
OCEANIA		391.1	0.0	391.1	390.8	1.8	0.0	1.8
Kiribati	Jan./Dec.	8.7	0.0	8.7	8.7	0.0	0.0	0.0
Papua New Guinea	Jan./Dec.	331.0	0.0	331.0	330.0	1.8	0.0	1.8
Solomon Islands	Jan./Dec.	38.3	0.0	38.3	39.0	0.0	0.0	0.0
Tuvalu	Jan./Dec.	1.1	0.0	1.1	1.1	0.0	0.0	0.0
Vanuatu	Jan./Dec.	12.0	0.0	12.0	12.0	0.0	0.0	0.0
EUROPE		102.0	0.0	102.0	96.0	61.3	0.0	61.3
Republic of Moldova	July/June	102.0	0.0	102.0	96.0	61.3	0.0	61.3
TOTAL		89 537.4	4 850.0	94 387.4	84 402.7	44 210.5	2 587.3	41 623.2

¹ Includes food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006).² Estimates based on information available as of mid-April 2010.

NOTE: This report is prepared by the FAO's Global Information and Early Warning Service, with information from official and unofficial sources. None of the information in this report should be regarded as statements of governmental views.

This report and other GIEWS reports are available on the Internet as part of the FAO world wide web (<http://www.fao.org>) at the following URL address:

<http://www.fao.org/giews/>.

In addition, GIEWS special reports and special alerts, when published, can be received by e-mail through automatic mailing lists: subscription information is available at <http://www.fao.org/giews/english/listserv.htm>.

GIEWS

The Global Information and Early Warning System on Food and Agriculture

continuously monitors crop prospects and food security situation at global, regional, national and sub-national levels and warns of impending food difficulties and emergencies. Established in the wake of the world food crisis of the early 1970's, GIEWS maintains a unique database on all aspects of food supply and demand for every country of the world. The System regularly provides policy makers and the international community with up-to-date information so that timely interventions can be planned and suffering avoided.

Enquiries may be directed to:

Global Information and Early Warning System

Trade and Markets Division (EST), FAO, Rome

Direct Facsimile: 0039-06-5705-4495, E-mail: GIEWS1@fao.org

Or find us on the FAO World Wide Web site (www.fao.org) at:

<http://www.fao.org/giews/>.

Disclaimer

The designations employed and the presentation of material in this report do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.