



Crop Prospects and Food Situation

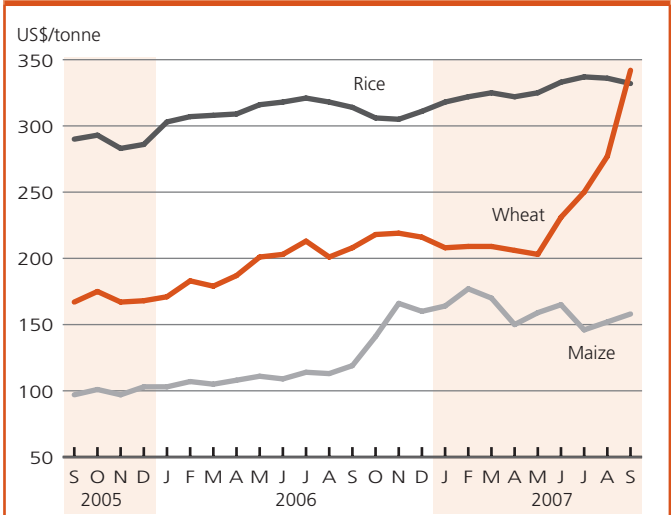
HIGHLIGHTS

- **The global cereal supply and demand situation has continued to tighten in recent months**, reflecting the deterioration of prospects for the 2007 world cereal production, which nevertheless is still expected to reach a record high. However, on current indications, this year's harvest would only just meet the expected level of utilization in 2007/08, thus precluding a replenishment of cereal stocks, which are anticipated to remain at very low levels.
- **International prices of wheat have increased sharply since June hitting record highs in September**, in response to tightening world supplies, historically low levels of stocks and sustained demand. Maize quotations are also well above their levels of a year earlier despite the bumper crop materializing this year, mainly reflecting fast-growing demand from the biofuel industry.
- **The combination of higher export prices and soaring freight rates is pushing up domestic prices of bread and other basic food in importing developing countries**, which has caused social unrest in parts. The cereal import bill of the group of LIFDCs is forecast to increase considerably for the second consecutive year reaching an all time high in 2007/08.
- **The area of winter wheat now being planted for the 2008 harvest is expected to increase sharply** in response to the high prices. The removal of compulsory land set-aside in the EU should promote such an expansion in Europe.
- **Severe floods in recent months in Asia, Western and Eastern Africa resulted in loss of life, population displacement and damage to infrastructure, adversely affecting the livelihood of millions of people.** However, in spite of serious localized crop losses, the abundant rains benefited developing crops and overall prospects for the 2007 cereal harvests are favourable in these regions.
- **An active 2007 hurricane season in the Caribbean resulted in infrastructure damage and severe losses of food and cash crops in countries throughout the subregion**, mainly in Jamaica, Dominica, Saint Lucia and Martinique.
- **Record maize harvests were confirmed in South America, with production of Brazil increasing by one-quarter from last year's good level.** A record maize crop is also in prospect in Mexico, the largest producer in Central America. These good crops reflect expansions in plantings and exceptional high yields.

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International prices for all major cereals remain high and wheat hits record level



Countries in crisis requiring external assistance¹ (36 countries)

AFRICA (21 countries)

Exceptional shortfall in aggregate food production/supplies

Lesotho	Multiple year droughts, HIV/AIDS impact
Somalia	Conflict and drought
Swaziland	Multiple year droughts, HIV/AIDS impact
Zimbabwe	Deepening economic crisis, drought

Widespread lack of access

Eritrea	IDPs, returnees, high food prices
Ethiopia	Low incomes, high food prices, insecurity in parts
Liberia	Post-conflict recovery period, IDPs
Mauritania	Multiple year droughts, floods in parts
Sierra Leone	Post-conflict recovery period, refugees

Severe localized food insecurity

Burundi	Civil strife, IDPs, returnees and recent dry spells
Central African Republic	Civil strife, IDPs
Chad	Refugees, insecurity
Congo, Dem. Rep.	Civil strife, IDPs and refugees
Congo, Rep. of	IDPs, refugees
Côte d'Ivoire	Civil strife, IDPs
Ghana	Floods
Guinea	IDPs, refugees, high food prices
Guinea-Bissau	Localized insecurity, marketing problems
Kenya	Drought in parts
Sudan	Civil strife, returnees
Uganda	Civil strife, IDPs

ASIA (9 countries)

Exceptional shortfall in aggregate food production/supplies

Iraq	Conflict and insecurity, IDPs
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Widespread lack of access

Afghanistan	Conflict, IDPs and returnees, floods
Indonesia	Earthquakes
Korea, DPR	Economic constraints, floods
Nepal	Market access and effects of conflict and floods

Severe localized food insecurity

Bangladesh	Floods
Pakistan	After effects of the Kashmir earthquake, floods
Sri Lanka	After effects of the Tsunami, deepening conflicts and floods
Timor-Leste	IDPs and drought/floods

LATIN AMERICA (4 countries)

Exceptional shortfall in aggregate food production/supplies

Dominica	Hurricane
Jamaica	Hurricane
St. Lucia	Hurricane

Severe localized food insecurity

Nicaragua	Hurricane
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Europe (2 countries)

Exceptional shortfall in aggregate food production/supplies

Moldova	Drought and lack of access to inputs for winter cropping
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Severe localized food insecurity

Russian Federation (Chechnya)	Civil conflict
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Countries with unfavourable prospects for current crops²

AFRICA

Cape Verde	Drought
Ghana	Floods
Somalia	Conflict, drought in parts

Terminology

¹ Countries in crisis requiring external assistance 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.

² Countries facing unfavourable prospects for current crops are countries where prospects point to a shortfall in production of current crops as a result of the area planted and/or adverse weather conditions, plant pests, diseases and other calamities, which indicate a need for close monitoring of the crop for the remainder of the growing season.

Emergency update

In **Western and Central Africa**, recent heavy rains and floods have caused considerable human casualties and damage to crops and livestock in several countries, notably in **Ghana, Togo, Burkina Faso, Mali** and **Mauritania**. Although the floods are not expected to have any significant impact on the subregion's overall food supply, the food security implications could be locally severe in several countries, notably in **Ghana**, the hardest hit country, where, even before the floods, populations in the north of the country were vulnerable to production or price shocks following a reduced crop in 2006. Similarly, the succession of crop failures that has affected **Mauritania** in recent years has had severe negative impact on rural households' purchasing power increasing their vulnerability to shocks.

In **Eastern Africa**, notwithstanding the general improvements in overall food availability, millions of people face serious food difficulties due to the effects of localized drought conditions and ongoing or past conflicts. The situation in southern Somalia is of particular concern with the impact of the recent well-below average main season "gu" crop coupled with large displacement due to continued civil insecurity rendering an estimated 1.5 million people require humanitarian assistance. Of these nearly one-fifth are classified as Humanitarian Emergency (HE) requiring life saving interventions while a third are in Acute Food and Livelihood Crisis (AFLC) requiring livelihood support. In **Eritrea**, high food prices continue to affect large numbers of vulnerable people. In **Ethiopia**, according to a recent UN Interagency Mission nearly 600 000 people in the Somali region are in need of emergency food aid over the next three months. The Mission warned that humanitarian conditions have substantially deteriorated in conflict areas where the military and rebel groups have been clashing. The report also notes an acute shortage of medical supplies and serious concerns regarding security. The mission fears that the situation could rapidly worsen within two or three months unless more food gets to the population. In addition, the findings of the "belg" season assessment indicated an estimated 830 000 people in Afar, Amhara, Oromiya and SNNP regions will require emergency food assistance through to the end of the year. Earlier in the year the Food Security Bureau (FSB) estimated that about 7.3 million chronically food insecure people need cash or food assistance through the Productive Safety Net Program and a further 1.3 million people require emergency food assistance in 2007. In **Kenya**, large numbers of people, particularly in pastoral areas, continue to receive food assistance due to slow recovery from previous drought and continued pastoral conflict and cattle raids. In **Sudan**, insecurity remains a major factor in inhibiting access to food, particularly in the troubled Darfur region. Recent floods have also caused loss of life and damage to crops and property. In **Uganda**, a recent WFP-led assessment established that food security conditions had generally improved in Karamoja. However, poor crop prospects coupled with effects of recent severe floods

will likely result in continued food assistance requirements.

In **Southern Africa**, severe droughts, floods and/or economic constraints have led to sharp reduction in the 2007 harvests of maize, the main staple crop, in **Zimbabwe, Swaziland**, and **Lesotho**. Lower food production and rising domestic and regional prices are expected to adversely affect food security of up to 6.6 million people, more than double the number in the previous year (source: VAC reports and FAO/WFP CFSAM assessments).

In the **Great Lakes** region, renewed security problems in recent months in the **Democratic Republic of the Congo** are affecting a large number of people especially in the north-east areas. Food aid is needed in **Burundi** for continuing resettlement of returnees and IDPs.

In **Far East Asia**, the risk of food insecurity has heightened for large numbers of people throughout the region following torrential rains, causing severe flooding and landslides, throughout the summer in several countries. In **Bangladesh**, official estimates indicate that some 10 million persons across 39 districts have been negatively affected this summer's severe floods and landslides. Preliminary official estimates indicate that some 8 percent of the country's aggregate annual paddy area has been completely destroyed and another 5 percent partially damaged, seriously compromising prospects for this year's rice production and food supply. In the **Democratic People's Republic of Korea**, unprecedented torrential rains in early to mid-August caused heavy flooding, resulting in severe damage to housing, infrastructure, the agriculture sector and the displacement of hundreds of thousands of people. Of particular concern has been the damage to the main cereal crop in major producing areas, which was compromised at a critical growth stage. The resulting reduction in output of staple food in 2007 will deteriorate the country's already tight food supply situation. Some 960 000 directly affected people are estimated to be in need of emergency assistance, including food. In **India**, the worst flooding for decades is officially estimated to have adversely affected about 18 million people, with hundreds of thousands at risk from hunger and disease. In **Nepal**, torrential monsoon rains from mid-July causing severe flooding and landslides have worsened the food security situation for many vulnerable populations, where chronic and widespread food security already prevailed. International assistance is required. In **Sri Lanka**, the food security situation in the northeast of the country, already threatened by the deterioration of the political and security situation, has deteriorated following floods and landslides in the early summer which made more than 11 000 homeless. In **Timor-Leste**, a tight food supply situation, expected to continue in the coming months, and 100 000 people still displaced by the conflict last year, necessitates continued food aid.

In the **Near East**, in **Iraq**, the overall food security situation continues to be adversely affected by conflict and security problems. According to humanitarian agencies, there are more than 1.8 million internally displaced people and over 2 million have fled the country.

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In **Central America and the Caribbean**, the passage of powerful hurricanes has caused severe losses of food and cash crops. Crops like bananas, tubers, cocoa, coffee and vegetables have been severely affected by strong winds and heavy rains of hurricane Dean in **Saint Lucia, Martinique, Dominica and Jamaica**, with expected reduced availability in the coming months, most likely accompanied by rising prices in local markets. At the beginning of September, category 5 hurricane Felix severely hit the north-east Atlantic coast of **Nicaragua** with significant damage to second season maize and paddy crops, but also fruit trees such as banana, coconut and mango. It is reported that more than 32 000 families, mainly indigenous groups, are

in urgent need of humanitarian assistance to recover their basic livelihood systems.

In **South America**, prolonged dry weather conditions, high temperatures and strong winds meant that the traditional practice of burning pasture and grassland led to the most severe fire of **Paraguay's** history. About one million hectares of forest, pasture and cropland in north-eastern and western regions have been destroyed and approximately 100 000 people have been affected. In **Peru**, the international community is providing food assistance to the population of departments of Ica, Huancavelica and Ayacucho whose livelihood systems were severely affected by an earthquake on 15 August.

Global cereal supply and demand brief

The outlook for cereals tightens further and wheat prices reach record levels

Although latest FAO forecast for world cereal production in 2007 still points to a relatively strong expansion from 2006, the global cereal supply and demand outlook for the 2007/08 season remains grim. While expected improvements in maize supplies have eased somewhat pressure on maize prices, which are at high levels reflecting strong demand from the biofuel industry, recent reductions in the forecast for production of wheat, particularly in exporter countries, in a context of very low levels of stocks has pushed wheat prices to record highs in world markets. Those high prices spilled over to other cereals, including major feed grains. Higher grain prices are wearing through the food chain, increasing the cost of many basic food items, which has already led to food riots in some countries. Food inflation fears have driven some countries to accelerate their early grain purchases

and others to delay as they hope for lower prices later in the year. These developments further aggravated market volatility.

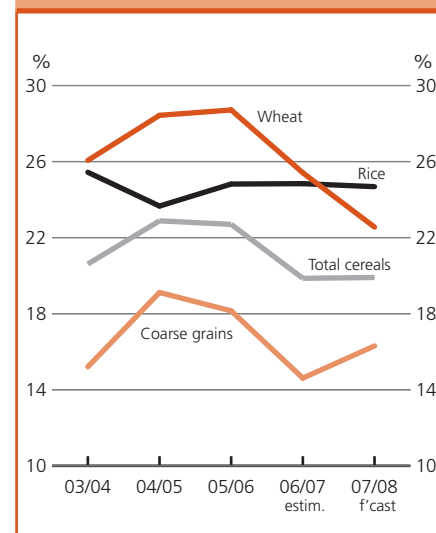
Given the anticipated growth in world cereal demand in 2007/08, the current level of production, if it materializes, will not allow any replenishing of world reserves from their very low opening levels. As a result, the world cereal stocks-to-use ratio is likely to remain at around 20 percent, which would be identical to the previous season's low and therefore the smallest since the beginning of FAO's tracking of the global cereal market some 30 years ago. World trade is likely to be negatively influenced by the rise in world prices as well as soaring freight rates. Trade in wheat and coarse grains are likely to be affected most, falling well below the previous season's peak.

However, the combination of higher prices and freight rates would still drive up the cost of cereal imports from world markets to a new record; an outcome with more worrying consequences for the developing countries, particularly the Low-

Income Food-Deficit Countries (LIFDCs). The developing countries are likely to spend a record US\$52 billion on imports of cereals in 2007/08, up 10 percent from 2006/07. This is after a striking 36 percent growth already in the previous season. The total cereal import bill of the LIFDCs, as a group, is forecast to hit an all time high of US\$28 billion, up roughly 14 percent from the previous high in 2006/07.

Against this background of continuing high and volatile prices, trade activity during the early months of the current

Figure 1. Ratio of world cereal stocks to utilization



season 2007/08 has been generally faster than normal with above-average sales registered by a number of exporting countries, most notably by the United States and the Russian Federation. In the coming months, a calmer period is expected as the 2007 production numbers become firmer and if the anticipated increase in 2008 winter wheat plantings materializes. However, given the extent of supply tightness, for wheat in particular, any further deterioration in conditions of southern hemisphere crops and/or any deliberate attempts to limit export sales to curb domestic food prices in exporter countries, could easily send prices well above the highs already reached.

Record cereal harvest still forecast in 2007 despite poorer wheat prospects

FAO's forecast for world cereal production in 2007 has been revised downward since the previous report in July, but at 2 114 million tonnes (including rice in milled terms), would still be a record high, and 5.3 percent up from 2006. Most of the downward revision since July has concerned wheat, output of which is now forecast to reach just about 605 million tonnes, considerably less than expectations earlier this year, although still 1.7 percent up from the about average level of the previous year. The forecast has been reduced on account of poorer results than earlier potential had suggested in some northern hemisphere countries and deterioration in the prospects for the seasons still to be concluded in the southern hemisphere. Of the crops already harvested, the largest deviation from expectation has been in Europe, where latest estimates point to a significant 2.9 percent decline in production, compared to the early season prospects for a sizeable increase. The worst losses were encountered by the eastern producing parts of the region where several weeks of exceptionally hot and dry weather severely compromised yields. However, in some major producing

northern countries a combination of early summer dryness followed by excessively wet conditions also led to poorer results than earlier forecast. In North America, a small downward revision has also been made in the latest estimate of this year's output in the United States, however, the harvest was still a good level, sharply up from the previous year. A more substantial revision was made for Canada, struck by hot and dry conditions, which will compound the impact of a reduced area. The latest estimate of the aggregate 2007 wheat output in Asia remains at a good level and above last year's, although a slight downward revision was made for Pakistan, where, nevertheless, a bumper crop was harvested. Elsewhere in the northern hemisphere, drought devastated

this year's wheat crop in Morocco, so despite about-average harvests elsewhere in North Africa, the subregion's aggregate output is sharply down from last year and the average of the past five years. In the southern hemisphere, the bulk of the major 2007 wheat crops are yet to be harvested between now and the end of the year. In South America, aggregate output is forecast to increase 7 percent from 2006, with a recovery in Brazil more than offsetting a small decrease expected in Argentina. In Oceania, prospects for the wheat crop in Australia have deteriorated significantly because of hot and dry weather, which set-in after planting in the major producing areas.

In many parts of the northern hemisphere the winter wheat crops

Table 1. Cereal production¹ (million tonnes)

	2006 estimate	2007 forecast	Change: 2007 over 2006 (%)
Asia	911.1	924.4	1.5
Far East	809.4	824.3	1.8
Near East in Asia	72.1	70.2	-2.6
CIS in Asia	29.4	29.7	1.1
Africa	144.0	136.2	-5.4
North Africa	35.6	29.0	-18.7
Western Africa	48.6	48.4	-0.4
Central Africa	3.6	3.5	-2.7
Eastern Africa	34.9	33.9	-2.7
Southern Africa	21.4	21.4	0.1
Central America & Caribbean	37.1	39.4	6.4
South America	109.6	128.3	17.0
North America	384.5	469.7	22.2
Europe	402.7	390.9	-2.9
EU ²	246.9	262.4	6.3
CIS in Europe	118.5	112.5	-5.1
Oceania	18.5	25.3	36.6
World	2 007.5	2 114.2	5.3
Developing countries	1 154.0	1 180.9	2.3
Developed countries	853.4	933.3	9.4
- wheat	594.9	604.8	1.7
- coarse grains	984.5	1 080.4	9.7
- rice (milled)	428.1	428.9	0.2

¹Includes rice in milled terms.

²EU-25 in 2006 and EU-27 in 2007.

Note: Totals computed from unrounded data.

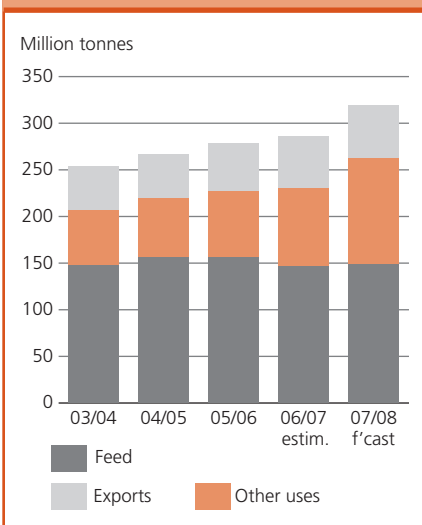
for harvest in **2008** are already being planted. In the United States, conditions are generally favourable for fieldwork, and although planting has got off to a slower start than normal, early indications all point to the likelihood of a record area. In Europe, weather permitting, a large increase in the winter wheat area is also likely. The EU has removed its 10 percent obligatory set-aside requirement for 2008, which could bring up to an estimated 3 million hectares of arable land back into production for the season. Early indications from the large producing areas in eastern Europe also suggest that farmers have intentions to plant larger wheat areas if weather and inputs allow.

FAO's latest forecast for world production of **coarse grains** in 2007 has been revised upward slightly and stands at 1 080 million tonnes, 9.7 percent above last year's crop and an all-time high. The bulk of the increase is attributed to a record global production of maize, now forecast at 784 million tonnes. A record output is expected in the United States where the harvest is just getting underway, and plantings increased sharply in response to exceptionally strong demand from the biofuel industry. Bumper crops have also been harvested in the South America, reflecting favourable growing conditions that led to exceptional high yields, and increased plantings in response to high international prices. The secondary crop just gathered in Brazil was estimated at 25 percent above last year's already good level. A record crop is also expected in Central America, where plantings expanded in Mexico, the major producer. Elsewhere, the 2007 coarse grain crops are seen to remain relatively unchanged in Asia and Africa, while unfavourable dry and hot conditions have compromised the crops in Europe and Australia, where declines in production are expected. With regard to the first of the major 2008 crops, planting of the important summer maize crop is already underway in South America. Early indications point

to a continued expansion in area because of the incentive of attractive returns relative to other crops. However, with soil moisture levels reported to be limited in mid-September additional precipitation will be needed for farmers to fulfil their intentions.

Notwithstanding serious flooding problems reported in recent months in Asia, Africa and Central America and the Caribbean, prospects for global **paddy** production in 2007 remain favourable. The global paddy crop is forecast at about 643 million tonnes (429 million tonnes in milled terms), marginally above a revised estimate of the 2006 crop. Much of the increase is expected in Asia, although, within the region, the production outlook is rather mixed; large increases are foreseen in China, India, Indonesia and Myanmar, while Japan, the Philippines, Sri Lanka, Turkey and Viet Nam may incur sizeable reductions, largely a reflection of adverse weather conditions. Paddy production is also set to increase in Africa, where floods have favoured rice crops, which had endured drought stress until July. By contrast, declines are forecast in all the other regions.

Figure 2. United States' maize utilization and exports



Growth in cereal utilization to exceed trend despite high prices

World cereal utilization in 2007/08 is forecast to expand by over 2 percent from the previous season, to 2.1 billion tonnes, some 1.4 percent above its 10-year trend. This relatively high growth is mostly driven by the continuing expansion in industrial use -in particular for biofuels- which accounts for two-thirds of the expected increase.

Table 2. World cereal utilization by grain (million tonnes)

	2005/06	2006/07	2007/08	Change: 2007/08 over 2006/07 (%)
WHEAT				
World	621	622	620	-0.2
Food	439	444	447	0.8
Feed	116	112	110	-1.8
Other uses	66	66	63	-4.6
COARSE GRAINS				
World	1 000	1 021	1 064	4.2
Food	176	180	182	1.4
Feed	624	620	627	1.1
Other uses	200	221	255	15.1
RICE (milled)				
World	418	425	430	1.1
Food	368	373	378	1.3
Feed	9	9	8	-4.8
Other uses	41	44	44	0.4

Total **food** consumption of cereals is forecast to reach 1 007 million tonnes, up by over 1 percent from 2006/07. This increase would generally follow the expected growth in world population. As a result, per caput intake of cereals

is likely to remain stable in most regions, at least at aggregated levels. This outlook does not exclude some possible dampening of demand, especially in countries where price increases have been more significant. Escalating prices, especially for wheat-based food products, have caused serious concerns in many countries across the world. While, in most cases, governments are struggling to contain the rise in food prices with different types of measures, in some countries sharp price increases may prove inevitable, which could lead to reductions in consumption. By individual cereal, early indications point to only 0.8 percent increase in total food consumption of wheat at the global level. This increase would be below the population growth and thus would lead to a decline in per caput consumption of wheat from an estimated 70 kg per annum in 2006/07 to 67.6 kg in 2007/08. However, this drop is likely to be compensated by a rise in rice and coarse grains food consumption, which are forecast to expand by 1.4 percent from the previous season. In aggregate, the total consumption of cereals is anticipated to remain virtually unchanged from the previous year at 152.4 kg per caput.

Total world **feed** utilization of cereals is forecast to increase marginally in 2007/08, by less than 1 percent. While usage of maize and sorghum are forecast to increase by at least 2 percent, wheat and barley usage for feed are expected to contract, mainly in response to much tighter supplies this season. Feed utilization in the developing countries, as a group, is forecast to expand by more than 3 percent, while that in the developed countries is envisaged to decline by 1 percent. The faster expansion in the developing countries mainly reflects continuing strong economic growth which boosts consumption of meat and dairy products and in turn raises demand for feed. The gradual recovery from previous outbreaks of animal diseases is

Table 3. Basic facts of the world cereal situation (*million tonnes*)

	2005/06	2006/07	2007/08	Change: 2007/08 over 2006/07 (%)
PRODUCTION¹	2 052.9	2 007.5	2 114.2	5.3
Wheat	625.8	594.9	604.8	1.7
Coarse grains	1 003.0	984.5	1 080.4	9.7
Rice (milled)	424.1	428.1	428.9	0.2
SUPPLY²	2 519.6	2 476.9	2 534.6	2.3
Wheat	802.3	773.5	763.3	-1.3
Coarse grains	1 194.2	1 169.8	1 235.7	5.6
Rice	523.1	533.6	535.6	0.4
UTILIZATION	2 039.3	2 067.4	2 113.4	2.2
Wheat	621.0	621.6	620.2	-0.2
Coarse grains	1 000.2	1 020.8	1 063.6	4.2
Rice	418.2	424.9	429.6	1.1
Per caput cereal food use (<i>kg per year</i>)	152.2	152.5	152.4	-0.1
TRADE³	247.6	257.2	252.6	-1.8
Wheat	110.3	113.6	109.0	-4.1
Coarse grains	108.1	113.2	113.0	-0.2
Rice	29.2	30.4	30.6	0.6
END OF SEASON STOCKS⁴	469.2	419.7	420.2	0.1
Wheat	178.5	157.6	143.2	-9.1
- main exporters ⁵	58.8	38.3	27.5	-28.2
Coarse grains	185.3	155.4	170.0	9.4
- main exporters ⁵	91.3	58.6	73.5	25.5
Rice	105.5	106.7	107.0	0.3
- main exporters ⁵	22.9	24.4	23.7	-2.8

Low-Income Food-Deficit Countries (LIFDCs)⁵

Cereal production¹	859.1	886.6	895.3	1.0
<i>excluding China and India</i>	292.6	305.1	299.7	-1.8
Utilization	926.3	1 115.2	1 135.4	1.8
Food use	648.7	658.9	668.0	1.4
<i>excluding China and India</i>	271.6	278.3	283.7	1.9
Per caput cereal food use (<i>kg per year</i>)	156.6	156.8	156.7	-0.1
<i>excluding China and India</i>	158.5	159.2	159.1	-0.1
Feed	166.1	166.1	170.7	2.8
<i>excluding China and India</i>	45.9	47.9	48.5	1.1
End of season stocks⁴	228.6	240.1	245.5	2.3
<i>excluding China and India</i>	53.0	56.1	50.6	-9.9

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

² Production plus opening stocks.

³ 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.

⁴ May not equal the difference between supply and utilization because of differences in individual country marketing years.

⁵ 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. US\$ 1 575 in 2004), which is in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocation of food aid.

also contributing to higher demand for feed.

Total **industrial use** of cereals is forecast to increase by some 9 percent, driven up by the continuing strong growth in the ethanol sector, most notably of maize which is the main feedstock for grain-based ethanol production. The largest market for maize-based ethanol is the United States, where maize used to produce ethanol is likely to increase from an estimated 54 million tonnes in 2006/07 to 84 million tonnes in 2007/08. This high number is 30 million tonnes more than the size of maize exports from the United States and, even more striking, is close to the volume of world trade in maize.

World cereal stocks remain at low levels

Based on the latest forecasts for world production and utilization, global **cereal** stocks by the close of the seasons ending in 2008 are expected to stand at 420 million tonnes, unchanged from their reduced opening levels and only 3 million tonnes above the 20-year low in 2004. At the current forecast levels, the ratio of world cereal stocks to utilization is put at nearly 20 percent which is also unchanged from

the previous season's low ratio. Among the individual cereals, more worrying is the stocks situation with regard to **wheat**. Sustained demand amid insufficient increase in production this year, especially among the major exporting countries, which are also among the leading stock holders, is expected to result in at least a 14 million tonne drawdown of world inventories, from their already depleted openings, to 143 million tonnes, the lowest since 1982. Most of the contraction is in major exporting countries, notably in the United States, where stocks are forecast to hit a 10-year low of 11 million tonnes, as well as in Australia, Canada, and the EU. Among other countries, sharply smaller stocks are forecast for Egypt, Morocco, Tunisia, Turkey, and nearly all major wheat producing countries in the CIS. However, in a number of countries, wheat stocks are expected to increase; among them India and China, two important wheat growing countries where this year larger crops have been harvested.

Total **coarse grain** stocks are forecast at 170 million tonnes, up nearly 15 million tonnes from their sharply reduced opening level. This expected recovery is mainly driven by the anticipated strong rebound in world production of coarse grains, lead by

the United States where maize production alone is anticipated to increase by 70 million tonnes, or 26 percent, this year. In fact, this bumper maize production in the United States, which is expected to boost stocks in that country by almost 14 million tonnes to over 42 million tonnes, largely mitigates drawdowns elsewhere. Coarse grain carryovers are forecast to decline in the EU offsetting the small increase expected in Argentina and Canada. Sharp reductions are forecast for Ukraine, the Republic of South Africa and several countries in Asia as well as in North Africa. In Brazil, this year's large maize crop is expected to result in bigger inventories despite higher exports. In China, stocks are anticipated to increase for the first time since 2001, reflecting the forecast increase in production this year and a possible decline in exports.

Global **rice** inventories at the close of the 2007 marketing year are forecast to rise marginally above their opening level to reach 107 million tonnes. The rise is anticipated to be concentrated in China, where they could reach 61 million tonnes, 2 million tonnes more than carried over from 2006. Stocks could also end higher in Indonesia and Myanmar, but widespread cuts are expected elsewhere.

Figure 3. World cereal stocks

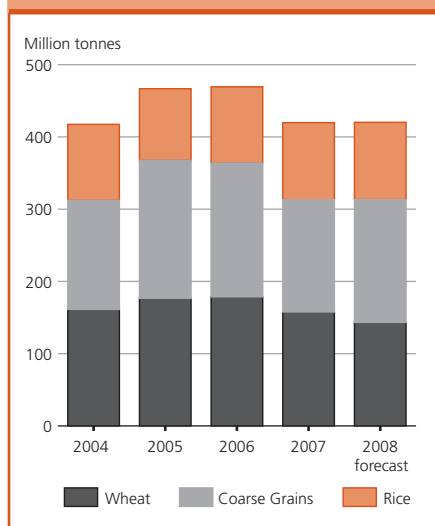
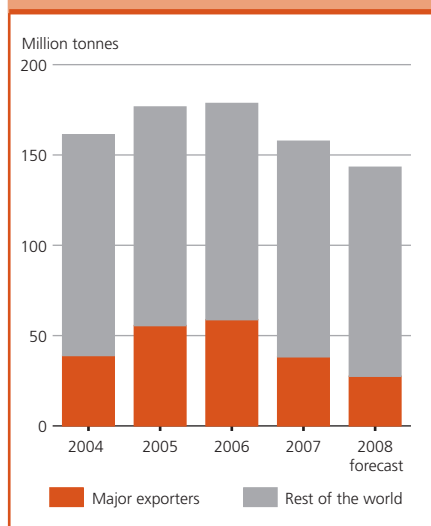


Figure 4. Major exporters wheat stocks



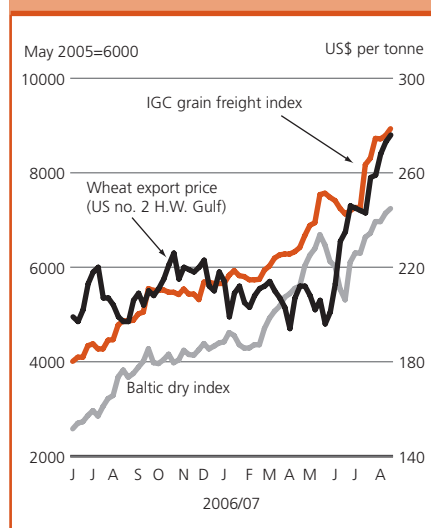
Cereal prices remain high, wheat hit record

International prices for all major cereals remain high and most have registered considerable gains from the previous season. Tight supply from low levels of stocks and insufficient increases in production to meet sustained demand is the underlying factor for the continuing strength in prices. This is particularly the case for **wheat**, the price of which soared to all-time highs in September. Low wheat stocks, compounded by repeated downward revisions to this year's production forecast for major exporting countries, most notably in Australia and in Europe, have pushed wheat prices up since June. In addition, stronger trade activity in

the early months of the season (2007/08 July/June) and developments in currency markets, which continues to favour the United States' origin wheat because of the weaker US dollar, also provides support. In September, the United States' hard wheat (HRW, No. 2, f.o.b.) averaged US\$343 per tonne, up US\$93 per tonne since the start of the season in July and as much as 65 percent above the already high level of September 2006. Recent weeks witnessed even higher increases in wheat export prices from other major origins, such as from Argentina, where the price of wheat in September has virtually doubled its level of a year earlier, and from Australia and the EU. Wheat futures prices for December delivery on the Chicago Board of Trade (CBOT) continued on an upward trend since April and hit a new record in September. Wheat prices remain highly vulnerable to the prevailing tight situation in the markets and are therefore likely to stay volatile. Any unfavourable developments regarding production prospects in the southern hemisphere or policy changes that may result in restricting export supplies, such as the recent exports restrictions in Ukraine, could send wheat prices even further above the recent highs.

Prices have also risen in **coarse grain** markets this season, although the increases have so far proven less than those in wheat markets. International prices of maize, barley and sorghum have all increased substantially due to strong demand. Prices of maize started to rise sharply already during the previous season and in February they reached their all-time high. The strong demand from the biofuels sector has been the underlying factor for the strength in maize prices since last year. Maize prices have receded somewhat in recent months mainly because of the anticipated record crop to be harvested soon in the United States, as well as a bumper crop in South America. However, this season's restricted supplies from the CIS and shortage of maize and feed wheat in the EU continue to put upward pressure on prices while the

Figure 5. Freight rates and international wheat prices



spillover effect from the wheat market has also been significant at times. The United States' yellow maize (US No. 2 Gulf, f.o.b.) averaged US\$ 152 per tonne in September, US\$ 12 per tonne more than at the start of the season in July and US\$ 39 per tonne (or 33 percent) more than in September 2006. Also, by late September, the CBOT December maize futures price stood at US\$147 per tonne, more than 52 percent more than in the corresponding period in 2006.

World **rice** prices have gathered strength since May, but the increase was far smaller than for the other cereals, in particular wheat. According to FAO's all rice price index, rice quotations gained 4 percent from May to August. In July, prices were sustained by a sudden strengthening of the Thai currency vis a vis the US dollar. In August, prices remained steady, except for those of aromatic rice, which lost several points, reflecting a weakening of Basmati quotations in Pakistan. With large crops soon to be harvested in a number of important producing countries, international rice prices could be under pressure in the coming months, but the decline might be moderated by a weakening of the US dollar relative to the currencies of the major exporting countries, in particular China, Thailand and India. A possible shift of import demand from wheat to rice would also lend strength to international rice prices.

World trade to decline from the record level in 2006/07

World **cereal** trade in 2007/08 (July/June) is currently forecast at around 253 million tonnes. At this level, world trade would be some 5 million tonnes, or some

Table 4. Cereal export prices* (US\$ per tonne)

	2007					2006
	Sept.	Aug.	July	June	May	Sept.
United States						
Wheat ¹	343	277	250	231	203	208
Maize ²	158	152	146	165	159	119
Sorghum ²	177	171	157	166	155	128
Argentina³						
Wheat	325	273	249	239	219	167
Maize	170	157	141	156	147	114
Thailand⁴						
Rice white ⁵	332	336	337	333	325	314
Rice, broken ⁶	273	269	261	255	252	222

*Prices refer to the monthly 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.

1.8 percent, below the revised volume in 2006/07. In spite of this anticipated decline, world cereal trade in 2007/08 would still represent the second highest after last season's record. FAO's trade estimates for the previous season (2006/07) have been revised up sharply this month reflecting recent export statistics received from exporters. The revisions concern mostly wheat and coarse grains, the international trade of which has now been put at nearly 4 million tonnes more than previously reported. At these revised levels, world cereal trade in 2006/07 registered a new record with wheat trade at all time high of nearly 114 million tonnes, followed closely by a record trade in coarse grains, at 113 million tonnes, of which maize exports alone are estimated at a new peak of around 88 million tonnes. At the current forecast level, total volume of cereal imports by the LIFDCs in 2006/07 is seen to increase by about 5 million tonnes from the previous season and would represent about one-third of total cereal trade.

World trade in **wheat** in 2007/08 (July/June) is forecast at 109 million tonnes, down 4.6 million tonnes from the revised estimate in 2006/07. Most of the reduction is anticipated in Asia and of that mainly in India. In 2006/07, faced with depleted supplies, India imported 6.7 million tonnes of wheat; however, with higher international prices and a significant improvement in domestic production, India's wheat purchases from world markets are foreseen to drop to 3 million tonnes, almost half of which already purchased since the start of the season in July. Imports by Indonesia are also expected to decline significantly, by 600 000 tonnes, because of high world prices and reduced supplies in Australia, its main supplier. However, larger purchases are now forecast by Bangladesh and Yemen, mostly to contain increases in their domestic flour prices. In contrast to Asia, higher imports are forecast for Africa. Imports by drought-stricken Morocco

are forecast to double this season, to 3.5 million tonnes, while in Egypt imports are likely to rise by 500 000 tonnes to ease the domestic supply situation in the face a continuing strong demand. In September, the Egyptian Government raised its subsidies for bread by US\$840 million because of rising prices. Wheat imports by most countries in Europe as well as Latin America and Caribbean are forecast to remain stable at previous season's levels. However, in Brazil, imports are expected to be lower because of higher production.

An indication of this season's tight wheat situation is the reduced export supplies for the second consecutive year. Among the major exporters, lower output in Canada and the deteriorating crop prospects in Australia are expected to weigh heavily on their export availability. In the EU, the tight market and high prices are also likely to keep its wheat sales well below the historical average. Only the United States is expected to boost its exports this season, by at least 4 million tonnes to 29 million tonnes. The increase reflects higher domestic production coupled with the weakness of the dollar, which makes supplies from the United States more competitive. In fact, in less than four months into the new season, the United States is reported to have already sold 70 percent of the total forecast for the season. Aside from the traditional major exporters, wheat supplies from other origins also seem increasingly stretched. While most countries in the CIS gathered larger harvests this season, their willingness to sustain exports is under continuous pressure as prices have started to rise also in those countries. Following similar measures taken in 2006, Ukraine announced in late September that exports will be limited from November. The Russian Federation, now the world's 6th largest wheat exporter, plans to introduce a 10 percent tariff on exports in order to curtail sales, which during the two months of July and August reached an unprecedented level of nearly 2.5 million tonnes.

World trade in **coarse grains** in 2007/08 (July/June) is forecast at 113 million tonnes, nearly unchanged from the previous season's record. Strong import demand for coarse grains is largely sustained by higher needs in several countries in Africa, Central America and Europe. In Africa, it is again in Morocco where imports of barley are likely to increase mostly because of severe drought. In Central America, maize imports by Mexico are forecast to rise sharply this season despite the expected increase in its domestic output. The rise in imports partly reflects increased purchases of cracked maize, used as a fodder for animal feed, from the United States. Cracked maize is not subject to the import quota which Mexico applies to regular maize but even that quota continues to be adjusted in order to sustain the domestic tortilla and maize price rises which were the underlying reasons for street riots in January. In Europe, the EU's stronger demand for feed grains would be met by larger imports of maize. The tight supply situation in the EU has in fact resulted in the decision to cut the 10 percent obligatory set-aside rate (in place since 1992) for autumn 2007 and spring 2008 sowings. This, according to estimates by the EU officials, could result in 10 million tonnes more output next year. In addition, the EU Commission has also proposed the suspension of all import tariffs on grain for this season.

Elsewhere, imports in Asia are expected to decline as most countries are seen to import as much as in the previous season. Imports by Indonesia are likely to decline the most mainly because of bigger carryovers due to large purchases last season and better crop prospects this season. However, high prices in most countries are expected to encourage imports, including China (Mainland) which this season could import some maize, although it will remain a net-exporter. In South America, smaller imports are forecast for Brazil and Chile with both countries gathering record crops this season.

The export supply situation in coarse grains market is tight. While larger barley supplies in Canada and record maize production in Brazil, Argentina and the United States would allow those countries to export more coarse grains this season. Export supplies are likely to be curtailed significantly elsewhere, especially in the CIS and in China, on concerns about their own rising domestic prices.

Trade in **rice** is set to rise by 4 percent to 30.4 million tonnes in calendar year 2007, supported by growing imports by Asian countries, in particular Bangladesh and Indonesia. Rice deliveries to Latin American and the Caribbean are also

expected to be larger than last year, while rising world prices and freights may depress imports by African countries. Much of the increase in global trade is forecast to be supplied by Asian countries, especially Thailand, the sole major rice supplier holding ample availabilities this year. Among the other major exporters, Cambodia, China, Egypt and Myanmar are also expected to contribute to the world export increase, while limited supplies will result in declining sales by Pakistan, Argentina, Brazil and Australia.

Although still highly preliminary, trade in rice is forecast to increase somewhat in 2008, to some 30.6 million tonnes.

The expansion would be sustained by increased imports by Bangladesh, China, the Democratic Republic of Korea and the Philippines, which would more than compensate for a likely cut of imports by Indonesia. Outside Asia, African countries may also increase their imports, while little change is currently anticipated in the other regions. Among major exporters, Cambodia, India and Thailand would be in a position to step up deliveries, while limited supplies may depress sales by Viet Nam and the United States.

Low-Income Food-Deficit Countries food situation overview¹

Increase in LIFDC cereal production to slow down in 2007 following four years of sustained growth

The aggregate cereal production of the 82 LIFDCs is forecast to rise only marginally this season after having increased at sustained rates since 2003. In the largest countries, China and India, bumper cereal crops are in progress, but when they are excluded from the group, the rest of LIFDC show a slight decline in their aggregate cereal production this year. Most of this decline is in Northern Africa where the output is forecast one-quarter below its level of last year, reflecting a devastating drought in Morocco. Elsewhere in Africa, a good aggregate cereal harvest was gathered in Southern Africa, although poor outcomes were obtained in some countries, notably Zimbabwe. In Eastern, Western and Central Africa, where harvest of the 2007 main seasons have started or are about to start, good outcomes are expected despite severe floods and the aggregate outputs are forecast slightly below the high levels of 2006. Similarly, in Asia, notwithstanding the serious localized damage to households and crops caused by severe floods this season, the abundant rains were overall beneficial for cereal production. In particular, in CIS in Asia, production recovered from the reduced level of

the previous year affected by drought. In Central America and the Caribbean, an above average crop was obtained in Haiti and good main season cereal crops are in progress in Nicaragua and Honduras.

Cereal imports to decline marginally but import bill at record levels

At the current forecast production levels and relatively comfortable levels of carry-over stocks, the cereal imports of the group of LIFDC in marketing

years 2007/08 or 2008 is forecast at 90.4 million tonnes, less than half a million tonnes lower than the level of the previous year. The largest decline is in India, which last year's imported 6.7 million tonnes of wheat to replenish stocks and this year is forecast to import 3 million tonnes. This decline will be partly offset by a sharp increase in Morocco, which will import 6.3 million tonnes of cereals in 2007/08.

In spite of the somewhat lower volumes of cereal imports by LIFDCs this season, their import bill is forecast to increase by 14 percent from 2006/07, after having increased 35 percent in the previous season. This reflects the high levels of international cereal prices and freight rates, which have already resulted in domestic prices of bread and other basic foods increasing sharply in a number of LIFDC. Food riots have been

Table 5. Cereal production¹ of LIFDCs (million tonnes)

	2005	2006	2007	Change: 2007 over 2006 (%)
Africa (44 countries)	114.0	128.4	120.2	-6.4
North Africa	25.4	29.7	22.3	-25.0
Eastern Africa	30.7	34.9	33.9	-2.7
Southern Africa	9.1	11.7	12.1	2.8
Western Africa	45.4	48.6	48.5	-0.3
Central Africa	3.3	3.6	3.5	-2.8
Asia (25 countries)	733.9	747.4	763.8	2.2
CIS in Asia	14.2	12.9	13.7	6.1
Far East	705.7	721.8	736.9	2.1
- China	372.7	387.4	394.4	1.8
- India	193.8	194.2	201.2	3.6
Near East	14.1	12.6	13.1	3.9
Central America (3 countries)	1.7	1.6	1.8	9.3
South America (1 country)	1.7	1.6	1.7	1.3
Oceania (6 countries)	0.0	0.0	0.0	0.0
Europe (3 countries)	7.6	7.4	7.9	5.7
Total (82 countries)	859.1	886.5	895.3	1.0

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. US\$1 575 in 2004), 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 rice in milled terms.
Note: Totals computed from unrounded data.

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

	2005/06 or 2006 Actual Imports	2006/07 or 2007				2007/08 or 2008	
		Requirements ¹		Import position ²		Requirements ¹	
		Total Imports	of which food aid pledges	Total Imports	of which food aid pledges	Total Imports	of which food aid
Africa (44 countries)	39 036	36 795	2 516	28 123	1 991	39 476	2 208
North Africa	16 353	16 038	12	16 038	12	18 951	0
Eastern Africa	5 839	5 158	1 517	4 257	1 191	4 362	1 100
Southern Africa	3 846	3 074	355	3 074	355	3 545	591
Western Africa	11 336	10 870	549	4 279	385	10 926	461
Central Africa	1 662	1 656	84	477	49	1 693	57
Asia (25 countries)	42 946	49 350	1 636	46 684	1 116	46 138	1 714
CIS in Asia	2 958	3 479	166	3 479	166	2 780	197
Far East	28 129	35 140	1 297	33 949	820	32 263	1 342
Near East	11 859	10 731	173	9 256	130	11 095	175
Central America (3 countries)	1 750	1 710	135	1 710	135	1 716	140
South America (1 country)	1 011	944	30	944	30	1 020	20
Oceania (6 countries)	416	416	0	156	0	416	0
Europe (3 countries)	1 619	1 611	0	1 611	0	1 650	60
Total (82 countries)	86 777	90 827	4 318	79 229	3 272	90 416	4 142

¹ The import requirement is the difference between utilization (food, feed, other uses, exports plus closing stocks) and domestic availability (production plus opening stocks). Utilization is based on historical values, adjusted upon assessment of the country's current economic situation.

² Estimates based on information available as of mid-September 2007.

Note: Totals computed from unrounded data.

experienced in some countries in Africa and Near East. Giving the volatility of prices in the international markets, the situation could deteriorate further in the coming months leading to reduction in imports and food consumption in LIFDCs, in particular considering that their aggregate stocks are already anticipated to drop by about 10 percent by the end of the 2007/08 marketing seasons.

Table 7. Cereal import bill in LIFDCs by region (*July/June, US\$ million*)

	2002/03	2003/04	2004/05	2005/06	2006/07 estimate	2007/08 forecast
LIFDC	14 034	15 813	18 841	18 166	24 613	28 145
Africa	6 501	7 098	8 422	8 387	10 315	13 012
Asia	7 014	8 052	9 722	9 011	13 372	14 092
Latin America and Caribbean	317	389	418	477	570	625
Oceania	69	76	78	82	97	104
Europe	133	198	201	209	259	312

Source: FAO.

Regional reviews

Africa

North Africa

Cereal output severely reduced by drought in Morocco

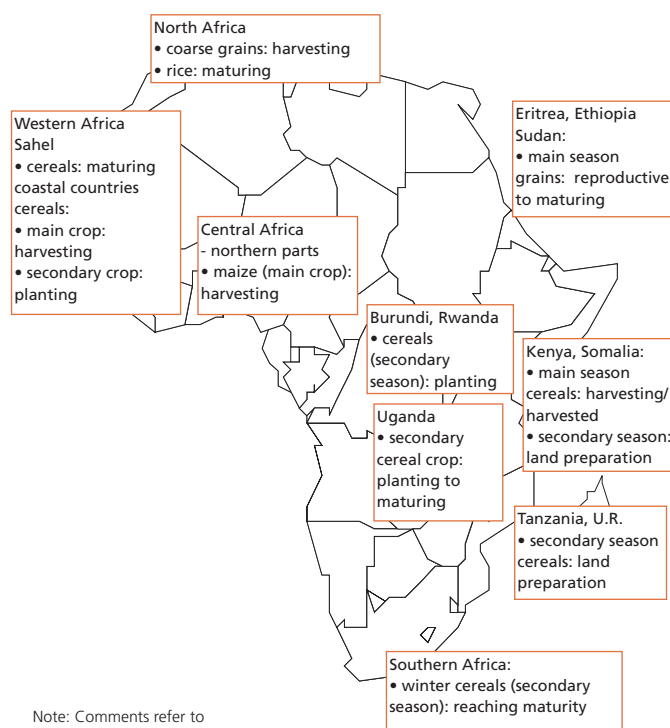
Harvesting of the 2007 winter crops (wheat and barley) has been completed, spring coarse grains (maize and sorghum) are presently being harvested in Egypt and harvesting of paddy is about to start. Aggregate wheat output for the subregion is provisionally estimated at 13.4 million tonnes, 28 percent down from the good crop of 2006 and below average. This is the result of prolonged dry conditions during the cropping season, which adversely affected yields in several growing areas, notably in Morocco where wheat output is estimated to have dropped by 76 percent, the lowest level of the past five years. In Egypt, the largest producer in the subregion, where most of the wheat is irrigated, wheat production is provisionally estimated at 7.4 million tonnes, which is close to the average of the previous five years but 10 percent lower than last year's bumper crop. The coarse grains crop for the subregion is provisionally estimated at 10.8 million tonnes, about 8 percent below the five-year average.

Western Africa

Abundant rains cause localized damaging floods but are overall beneficial for crop prospects.

After erratic and below-average rains until late July, which necessitated replanting in most countries, precipitation increased significantly from mid-July and remained abundant in August and September. Substantial flooding was reported across the subregion with considerable human casualties and damage to crops and livestock in several countries, notably in **Ghana, Togo, Burkina Faso, Mali** and **Mauritania**. **Cape Verde** is the only country where this year's cereal production is likely to be seriously affected regardless of weather conditions during the rest of the season, due to persistent dry conditions in most producing areas through early September.

In spite of the heavy rains and floods, a good cereal production is anticipated in most countries (due to the localized nature of the floods) including in **Nigeria**, the largest producer in the subregion, whose agricultural sector can strongly affect the food supply position of its neighbouring Sahel nations. The flooding is also expected to have a positive impact on off-season crops across the subregion, by ensuring ample soil moisture reserves. The food supply situation is therefore anticipated to remain



Note: Comments refer to situation as of September.

satisfactory in West Africa, provided that good rains continue through October. Nevertheless, the food security impact of the floods could be locally severe in several countries, notably in Ghana, the hardest hit country where the impact of the floods on national food supply may be more significant. Moreover, several areas of northern Ghana affected by floods have already experienced poor rainfall and reduced harvests during the 2006 cropping season which has increased the vulnerability of local populations to food production and market shocks.

Central Africa

In **Cameroon** and the **Central African Republic**, where rains have been abundant and widespread since the beginning of the cropping season in April, harvesting of the first 2007 maize crop is nearly completed. In the latter country, however, agricultural recovery and food security continue to be hampered by persistent insecurity and inadequate availability of agricultural inputs, notably in northern parts.

Eastern Africa

Improved crop prospects in most major producing countries despite floods but poor main season outcome in Somalia

In **eastern Africa**, harvesting of the 2007 main season cereal crops is complete or is about to be completed in southern parts of the subregion, while in northern parts crops are at varying stages of development. Abundant rains in July and August generally improved the 2007 crop prospects in several countries. However, heavy rains and floods in parts of several countries, mainly Sudan, Ethiopia and Uganda, have killed a number of people and/or

displaced thousands, destroyed or damaged crops and increased the likelihood of serious localized food shortages.

In **Somalia**, the worst main cropping "gu" season in thirteen years, disruptions in trade, displacement, high inflation and continued civil insecurity are drastically reducing household food access. The humanitarian situation, especially in the Shebelle Valley, Hiran and Mogadishu regions where households are already extremely food insecure, continues to deteriorate. Cereal production in the current main agricultural "gu" season in southern Somalia was estimated at 48 600 tonnes, representing only 31 percent of the 1995 to 2006 post-war average and 43 percent of last year's gu production. The number of people in need of humanitarian assistance has increased by 50 percent in the last six months from 1 million to 1.5 million people. Nearly one-fifth of these people are classified in Humanitarian Emergency (HE) requiring life saving interventions while a third are in Acute Food and Livelihood Crisis (AFLC) requiring livelihood support. In addition, there are 325 000 people who are newly displaced from Mogadishu and 400 000 already displaced requiring both life and livelihood saving interventions.

In **Sudan**, heavy rains within the country and in neighbouring Ethiopian and Eritrean highlands caused an overflow of the main rivers. So far, torrential rains and floods have killed some 90 people across Sudan and destroyed more than 70 000 homes. At least 12 000 head of livestock and more than 42 000 hectares

of crops are reported to have been destroyed. In addition, more than 200 000 people have also lost their homes and an estimated 3.5 million people are reported to be at risk of epidemics. Worst affected areas include Kassala in eastern Sudan, and parts of Unity and Upper Nile states in the South. The 2007 rainfall season is turning out to be one of the wettest in recent history across many areas of Sudan. The early onset of the season was characterized by very wet June and July conditions, which continued through August. The amount of rainfall has been above average in most parts of the country with more northern regions receiving twice the average rainfall. Harvesting of the 2007 main season crops is expected to start in November. An FAO/WFP Crop and Food Supply Assessment Mission is visiting southern Sudan in October and is planned to visit northern Sudan in November to assess the main season production and estimate food assistance requirements, if any, in 2008. An appeal has been made for US\$20 million to support the humanitarian assistance launched by the United Nations following the severe floods.

Similarly, in **Ethiopia**, floods have so far affected more than 130 000 people with an estimated 36 000 of them being displaced in Afar, Amhara, Gambella, Tigray and Southern Nations Nationalities and Peoples (SNNP) regions. Furthermore, as the ongoing rains raise the water level of Lake Tana, there are concerns that more people in the surrounding districts of north-western Ethiopia could be displaced. This year's flooding seems to

Table 8. Africa cereal production (*million tonnes*)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Africa	21.2	25.9	20.0	99.6	103.8	101.6	20.4	21.8	22.2	141.2	151.5	143.9
North Africa	15.4	18.7	13.4	11.7	12.2	10.8	6.2	6.8	6.8	33.2	37.7	31.1
Egypt	8.2	8.3	7.4	8.7	7.7	8.0	6.1	6.8	6.8	23.0	22.7	22.2
Morocco	3.0	6.3	1.5	1.3	2.7	0.7	0.0	0.0	0.0	4.3	9.1	2.2
Western Africa	0.1	0.1	0.1	39.8	42.8	42.4	8.8	9.2	9.4	48.7	52.0	51.9
Nigeria	0.1	0.1	0.1	22.4	24.8	24.7	3.6	3.9	4.3	26.0	28.7	29.0
Central Africa	0.0	0.0	0.0	3.1	3.3	3.2	0.4	0.4	0.4	3.5	3.7	3.6
Eastern Africa	3.6	4.7	4.6	26.2	29.1	28.2	1.4	1.6	1.6	31.2	35.4	34.5
Ethiopia	2.7	3.7	3.5	10.3	11.8	11.5	0.0	0.0	0.0	13.0	15.5	15.0
Sudan	0.4	0.5	0.6	5.1	5.9	5.9	0.0	0.0	0.0	5.6	6.4	6.5
Southern Africa	2.2	2.4	1.9	18.8	16.5	16.9	3.7	3.8	3.9	24.6	22.6	22.8
Madagascar	0.0	0.0	0.0	0.4	0.3	0.4	3.4	3.5	3.6	3.8	3.8	4.0
South Africa	1.9	2.1	1.7	12.3	7.3	7.5	0.0	0.0	0.0	14.2	9.4	9.2
Zimbabwe	0.1	0.1	0.1	1.1	1.7	1.0	0.0	0.0	0.0	1.2	1.8	1.2

Note: Totals computed from unrounded data.

have also occurred in normally non-flood prone areas, increasing floodwater area coverage. Government and humanitarian agencies' joint contingency plans anticipate relief and recovery assistance will be required for 324 000 people this season under the most likely scenario.

In **Uganda**, harvesting of this season's maize crop is almost complete and output is estimated similar to last year's and the average. Floods in August and early September were reported to have displaced hundreds of families and destroyed crops in the eastern parts of the county. The Minister for relief, disaster preparedness and refugees indicated that high waters had submerged entire villages and destroyed many farms. Several communities in Aakum in the Katakwi district, and Acowa in Amuria district, have been affected by the flooding. Neighbouring regions in north-western Kenya have also been affected, with more than one thousand families displaced after heavy rains in the western highlands caused a river to burst its banks and flood villages.

In **Kenya**, harvesting of the 2007 long-rains season maize started in the bi-modal maize growing areas of Nyanza and parts of Western Provinces. The maize crop, for harvest from October, in the main growing province of the Rift Valley is reported to be in good condition. Prospects are generally favourable due to good rains. The long rains cropping season normally accounts for 80 percent of total annual food production. The official forecast indicates a well above average 2007 long-season maize output of about 2.56 million tonnes.

In the **United Republic of Tanzania**, maize harvesting is almost completed in unimodal maize growing areas and the

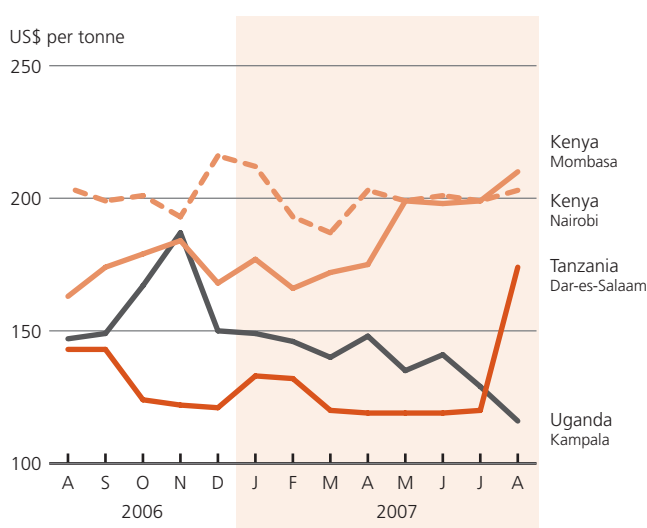
overall food supply situation is adequate following good harvests and improved pastures.

Cereal prices generally stable in Kenya, Uganda and Tanzania but persistently high in Ethiopia

A favourable maize supply position in Kenya, Uganda and Tanzania has resulted in stable maize prices for most of this year (Figure 6). According to the Eastern Africa Grain Council (EAGC), all three countries have surplus marketable maize. However, according to data from the Regional Agricultural Trade Intelligence Network (RATIN), average wholesale maize prices in Tanzania rose sharply in August and September, to more than US\$170/tonne, after having remained fairly stable at US\$120/tonne for most of the year. This compares to US\$143/tonne and US\$146/tonne for the same period in 2006 and 2005 respectively.

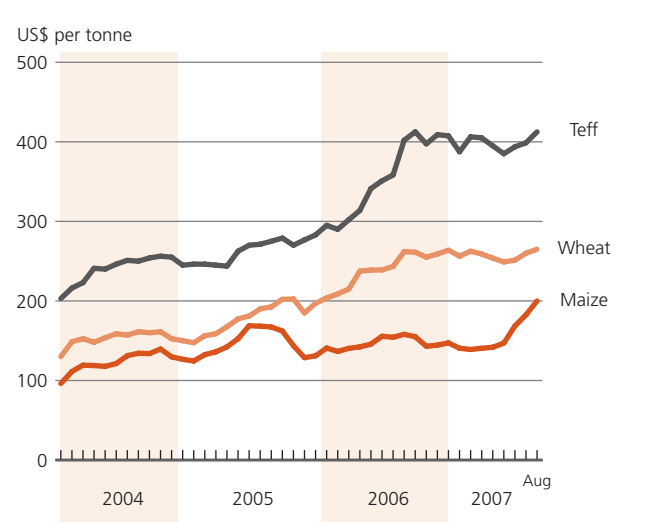
In Ethiopia, cereal prices in the last two years remained at much higher levels than previous years despite three consecutive years of good harvests. From January 2004, cereal prices have increased consistently, falling back only slightly after the Meher harvest of 2004. Prices were at record levels in October 2006 and latest observations (Rapid Trader Survey) indicate that the upward trend has continued (Figure 7). In contrast to the usual past trends, there is lack of any significant post-harvest reduction of prices in the last few years. Possible factors behind current price trends, forwarded by recent studies, include: the relatively rapid rise in income, which is being fuelled by the rapid increase in government expenditure, credit (commercial and microfinance), export receipts and transfers in the form of remittances, productive safety net programs (PSNP); the retention of cereal supply by

Figure 6. Maize prices in selected Eastern Africa markets



Source: Eastern Africa Regional Agricultural Trade Intelligence Network

Figure 7. Selected cereal prices in Addis Ababa, Ethiopia



Source: Ethiopian Grain Traders

smallholder farmers mainly due to increased cash income from alternatives sources and high prices of farm products (including cereals); and the decline in the amount of food aid distributed in the country.

Food inflation, currently estimated at about 19 percent, is, therefore, the highest it has been since 2003. The high rates observed in late 2003 were due to the impact of the drought in 2002. The food security position of large number of vulnerable people, mainly in urban centres, is negatively impacted with these high and rising prices.

Southern Africa

Average cereal output in 2007 for the subregion but with reduced production in South Africa and mixed outcomes in other countries

The aggregate 2007 cereal production in the subregion is forecast at 22.7 million tonnes marginally better than last year's about-average level. Of this, maize is estimated to account for 15.6 million tonnes, some 4 percent higher than last year's below-average outcome. In **South Africa**, by far the largest producer in the subregion, final official figures put maize output at 7.1 million tonnes, a slight recovery over last year's reduced crop, but still about 26 percent below the five-year average, primarily a reflection of drought in the main growing areas (Figures 8 and 9).

By contrast, excluding South Africa, the aggregate cereal harvest of the other countries in the subregion is estimated at a bumper level, their total outputs of all cereals and maize estimated to be above the five-year averages by more than one-third and more than one-quarter respectively. However, this masks wide differences in performance in cereal production at the national level. **Malawi's** maize harvest is estimated at a historical high, but those of **Swaziland** and **Botswana** were record lows. Overall, the total cereal production (including early estimates for small amounts of wheat output of the secondary season currently concluding in a few countries) is estimated to increase in **Angola, Malawi, Madagascar** and **Mozambique**, and rise above the five-year average in all cases. By contrast, it is estimated to be down compared to 2006 and the average level in Botswana,

Lesotho, Namibia, Swaziland and Zimbabwe. In **Zambia** the 2007 cereal harvest is estimated to be lower than last year's bumper outcome but remains well above the five-year average.

Cereal import requirements for 2007/08 increase slightly

In spite of the bumper aggregate cereal harvest this year at the subregional level (excluding South Africa) the sharply reduced crops in some countries, as well as some expected stock-building, means that the total import requirement of the group is estimated to be slightly higher in 2007/08 than in the previous season, although it would still remain below average.

Higher maize prices in recent months in most countries

Maize prices in most countries in the subregion, with the exception of **Malawi**, have been higher in recent months than during the same period a year ago (Figure 10). Reflecting another below-average harvest maize prices in **South Africa** have remained consistently higher than the

Table 9. Southern Africa – Import requirements for 2007/08 and estimated imports for 2002/03- 2006/07 (000 tonnes)¹

	Maize			Total Cereals		
	2007/08 forecast	Change: 2007/08 over 2006/07 %	5-yr ave. %	2007/08 forecast	Change: 2007/08 over 2006/07 %	5-yr ave. %
Increase in cereal imports from 2006/07						
Zimbabwe	775	160.9	12.0	1 007	136.9	21.3
Swaziland	119	60.6	79.7	174	36.2	41.8
Lesotho	174	93.3	54.1	257	34.3	28.4
South Africa	1 000	7.4	73.9	3 122	12.6	23.3
Botswana	155	10.7	4.2	306	13.3	9.4
Namibia	67	-1.2	-25.8	127	9.2	-22.2
Madagascar	5	-16.7	-56.1	284	-8.0	-9.0
Small or no change						
Mauritius	86	1.2	2.9	318	1.3	5.0
Mozambique	60	-13.9	-60.4	863	-2.3	-0.4
Decrease in cereal imports from 2006/07						
Angola	112	-56.1	-43.2	780	-10.9	-2.0
Zambia	5	-43.2	-96.1	65	-22.6	-71.3
Malawi	45	-59.5	-81.5	117	-47.8	-64.1
Total Southern Africa	2 603	21.9	4.1	7 420	13.3	6.6
Total excluding South Africa	1 603	33.1	-16.7	4 298	13.9	-2.9

¹ Marketing year April/March except for South Africa, Zambia and Namibia – May/April, and Mauritius – January/December.

Source: FAO/WFP CSFAM for Zimbabwe, Lesotho and Swaziland; Zimbabwe winter wheat – MoA; others – national government estimates.

Note: Totals computed from unrounded data.

Figure 8. Southern Africa cereal production

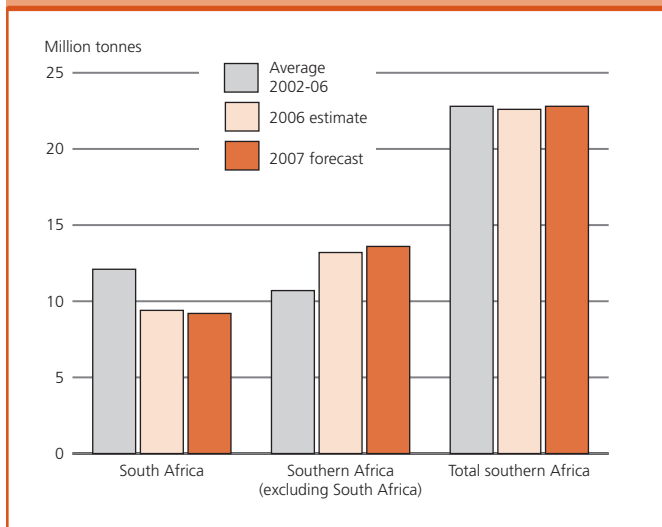


Figure 9. Southern Africa maize production

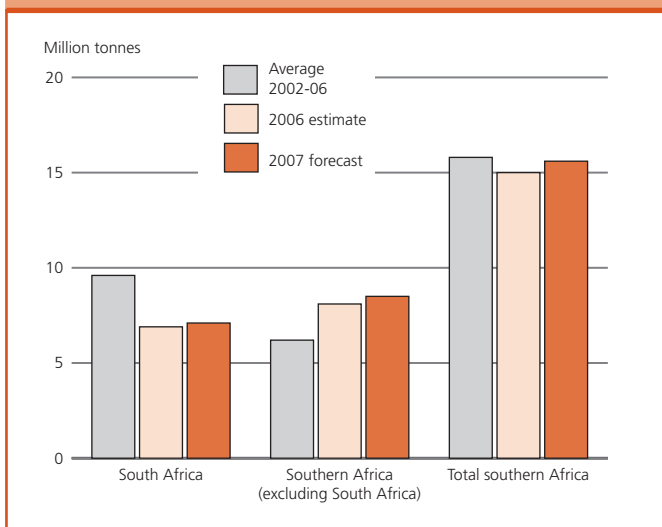
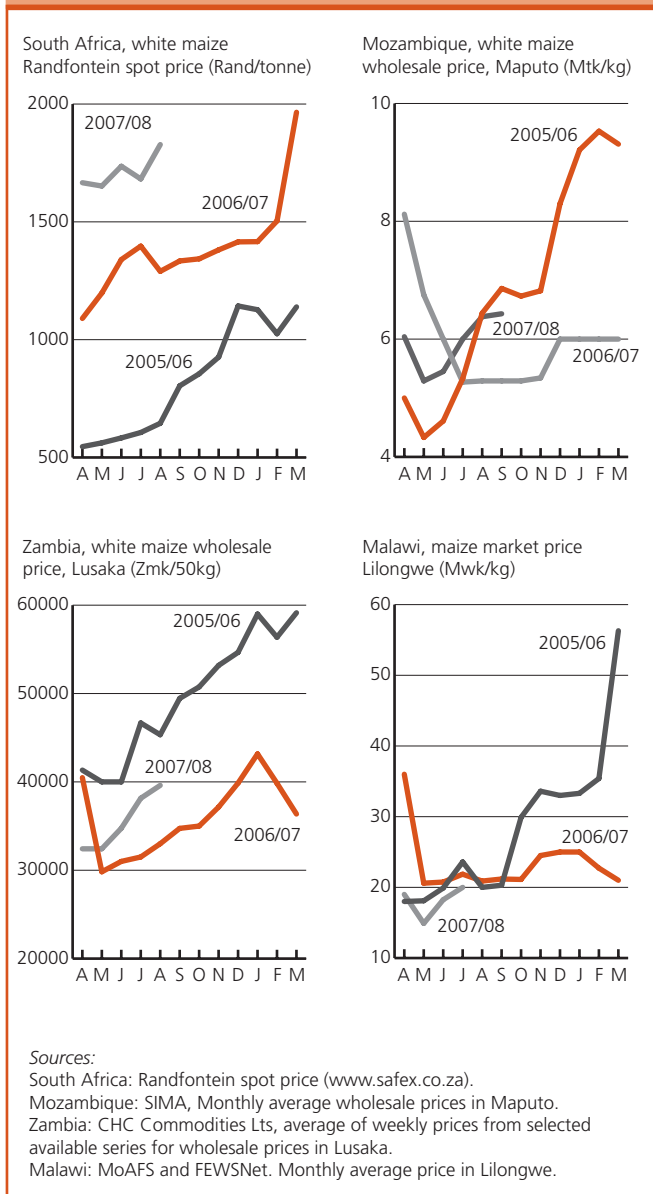


Figure 10. Wholesale prices of white maize in selected markets



corresponding monthly levels during the past two years and have been steadily rising since April 2007. The Randfontein spot price of white maize, which peaked at R1 965 per tonne (US\$271 per tonne) in March 2007, momentarily came down after harvest in April and May, but by August, had risen back up to R1 828 per tonne (US\$253 per tonne). SAFEX future's prices show continuation of this positive trend until March 2008. A comparison of nearby white maize SAFEX prices with that of US yellow maize export prices in the last two years indicates a similar general trend. However, over the last few months South African prices have risen more rapidly than the US export prices.

This is partly due to strengthening of the Rand against the US dollar since October 2006. High prices in South Africa, the region's main exporting country, have affected other dependent markets in the region, especially, **Swaziland, Lesotho and Zimbabwe**. Elsewhere, prices of maize are above last year's levels in **Mozambique and Zambia** despite good harvests this year reflecting tightening regional and international markets.

By contrast, in **Malawi**, a bumper maize harvest has resulted in post-harvest prices being considerably lower than in the past two years.

Asia

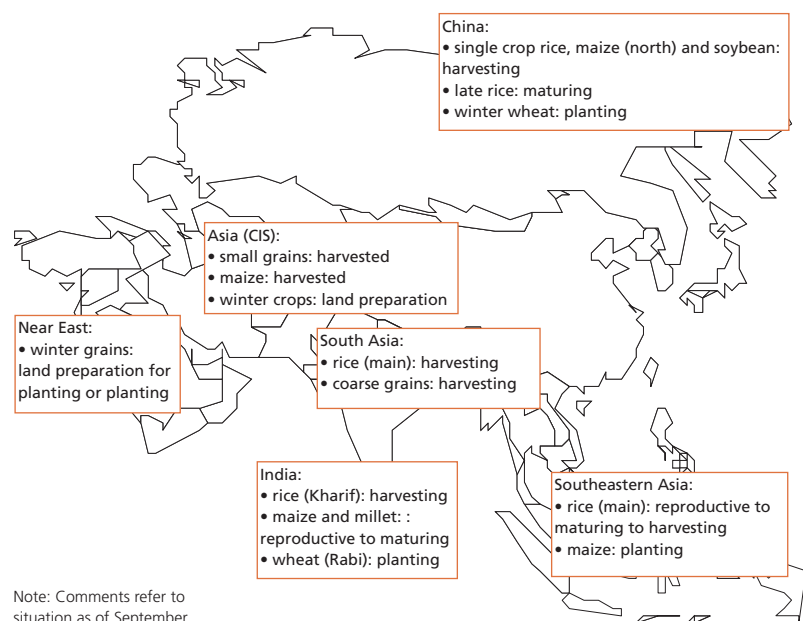
Far East

Widespread good to bumper cereal crops throughout the subregion

Harvesting of the main rice and maize crops, which make up the bulk of the subregion's cereal crops, is underway in most countries. Reflecting above-average precipitation throughout the season across most of the subregion, the 2007 aggregate output of rice (paddy) is forecast at a record 579 million tonnes, 3 million tonnes up from the previous high set last year. Production of maize is forecast at some 199 million tonnes, marginally up from last year's already bumper crop. The subregion's 2007 wheat crop, which was, gathered earlier in the year, is also estimated at a record level of 206.5 million tonnes, compared to about 199 million tonnes in 2006.

In **China** (Mainland), the harvest of the 2007 spring wheat crop (the minor wheat crop) was completed in August and output is estimated at some 5 million tonnes, 830 000 tonnes below that of last year as a result of droughts in two major producing provinces - Heilongjiang and Inner Mongolia. However, given the good winter crop gathered earlier, the aggregate wheat output for the year is estimated at a record 107 million tonnes, 2.5 million tonnes above the previous high set last year. Harvesting of the 2007 maize crop was completed in southern areas in August, but is still ongoing in northern China. The 2007 maize output is forecast at 149 million tonnes, virtually unchanged from the record high of last year. Regarding rice, harvesting of the 2007 early crop, a minor crop accounting for less than 20 percent of total annual paddy output, was complete in July, and output is estimated at some 32 million tonnes, about 1 percent above the good crop of last year, reflecting increased use of higher yielding seeds and favourable weather. The intermediate and late rice crops, planted in July, and due for harvest in November and December, are reported to be developing under generally favourable growing conditions, except in some localized area where floods and pest infestations have been reported. The aggregate paddy area in 2007 is estimated almost unchanged from last year and the paddy rice output in 2007 is tentatively forecast at 184 million tonnes, about 1 percent up from last year. Despite the increased level of domestic production in the current season, China is expected to remain a net cereal importer in 2007/08 and could increase its imports to some 3.8 million tonnes from some 2.6 million tonnes in the previous season. In **India**, the 2007 paddy output is forecast at about 140 million tonnes, close to last year's

good harvest. Although there has been devastating flooding in the past month in some eastern states, overall this year's above-average rains have been favourable for the crops. Based on current indications, India's rice exports are expected to remain similar to the previous season's level at about 4.6 million tonnes. Production of maize is tentatively forecast at 15.5 million tonnes in 2007, some 2 million tonnes above last year's output reflecting increased planting in response to high maize prices earlier this year. Regarding the 2007 wheat crop, harvested in May, latest information indicates that production was larger than earlier anticipated. As a result, the country's wheat imports in 2007/08 (April/March) forecast in July at 3 million tonnes could be revised downward. The 2007 paddy output in **Pakistan** is forecast at 8.1 million tonnes, close to the good level in the previous two years. The planting of paddy was complete in July and harvesting will start soon. The wheat crop gathered earlier in the year was boosted by favourable weather but also increased use of fertilizers made possible by government subsidies. The overall food supply situation in Pakistan is satisfactory and total cereal exports in 2007/08 are forecast at some 4 million tonnes, of which 3 million tonnes of rice. In the **Democratic People's Republic of Korea**, harvesting of the 2007 minor winter cereal and potato crops was estimated to be a record, particularly for potatoes. However, unprecedented torrential rains in early to mid-August caused heavy flooding, resulting in severe damage to housing, infrastructure and the agriculture sector and the displacement of hundreds of thousands of people. The exceptional heavy rains, reported to be the highest in several decades, arrived when the 2007 main (summer) season cereal crops, mostly rice and maize, were at the critical development stage. The summer season, normally harvested from October to November, accounts for



some 87 percent of the country's annual production of cereals, the main staple in the country. Although the floods have caused severe damage to the agricultural sector throughout the country, the greatest impact has been in the southern provinces, the "Cereal Bowl" lowlands of North and South Pyongan, and North and South Hwanghae. The country's already tight food supply situation will deteriorate with the anticipated reduction in the 2007 cereal output. In **Sri Lanka**, the Maha paddy crop harvested earlier this year, which accounts for more than 60 percent of aggregate paddy output, was officially estimated at about 1.9 million tonnes, 8 percent below the record of last year, but some 4 percent above the average of the past five years. Harvesting of the secondary crop, Yala, is ongoing and the output is forecast at 1.16 million tonnes, compared to 1.21 million tonnes last year. The expected reduction is mainly due to the impact of dry weather. In **Bangladesh**, preliminary official estimates indicate that some 854 000 hectares of paddy have been lost to floods and another 582 000 hectares have been partially damaged. In aggregate, the area affected represents some 13 percent of the total paddy planted area, seriously compromising prospects for this year's rice production.

Risk of food insecurity widens after torrential rains in several countries

In **India**, the south-west monsoon was active across the country since the beginning of the season in May and by the end of June resulted in the worst flooding in India for decades, causing loss of life and severe damage to housing, infrastructure and the agriculture sector. Official estimates indicate that close to 18

million people have been adversely affected by the floods, with hundreds of thousands at risk of hunger and disease. In **DPR Korea**, some 960 000 people directly affected by the floods this season are estimated to be in need of emergency assistance, including food. In **Sri Lanka**, the food security in the northeast of the country, already threatened by the deterioration of the political and security situation, has deteriorated following the floods and landslides in the early summer which made more than 11 000 homeless.

In several other Asian countries, drought followed by extensive floods have killed a number of people, displaced thousands, destroyed or damaged crops and increased the likelihood of serious food shortages in parts. In **Nepal**, torrential monsoon rains from mid-July caused severe flooding in southern Terai and landslides in the hill zones. According to the Nepal Red Cross Society (NRCS), more than 21 570 families were displaced, over 26 500 houses were either damaged or destroyed and, overall, some 56 500 families (or 333 000 people) were severely affected by the floods. The most severely hit districts are Kalilali (Far Western Region), Banke and Bardiya (Mid Western Region), and Dhanusa, Parsa and Saptari (Central Terai Districts). In **Bangladesh**, heavy rainfall since early June resulted in floods and landslides by mid-July killing 400 people, destroying 56 000 houses and partially damaging 700 000. Overall, official estimates indicate that some 10 million persons across 39 districts have been negatively affected by the floods. In **Timor-Leste**, the tight food supply situation, necessitating continued food aid is expected to continue in the coming months, as a result

Table 10. Asia cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Asia	263.0	270.0	276.8	246.3	252.9	257.5	574.5	581.7	584.6	1 083.8	1 104.5	1 118.9
Far East	191.5	199.1	206.5	219.6	225.7	231.2	569.7	576.1	579.0	980.8	1 000.9	1 016.8
Bangladesh	1.1	0.8	0.7	0.5	0.5	0.5	39.8	40.3	40.5	41.4	41.6	41.7
China	97.4	104.5	107.0	150.4	156.7	160.3	182.1	184.1	185.5	429.9	445.3	452.8
India	68.6	69.4	73.5	33.4	32.1	34.4	137.7	139.1	140.0	239.7	240.5	247.9
Indonesia	0.0	0.0	0.0	12.5	11.6	12.4	54.2	54.5	55.1	66.7	66.1	67.6
Pakistan	21.6	21.7	22.5	3.5	3.8	3.1	8.3	8.2	8.1	33.4	33.7	33.7
Thailand	0.0	0.0	0.0	3.7	4.0	4.1	30.3	30.3	30.5	34.0	34.3	34.6
Viet Nam	0.0	0.0	0.0	3.8	3.8	3.6	35.8	35.8	35.5	39.5	39.6	39.1
Near East	48.2	46.7	45.8	22.1	22.4	21.3	4.1	4.8	4.9	74.5	73.9	72.0
Iran (Islamic Republic of)	14.5	14.5	15.0	4.4	5.2	5.0	2.7	3.3	3.5	21.6	23.0	23.5
Turkey	20.5	20.5	18.5	14.3	13.8	12.7	0.6	0.7	0.5	35.4	35.0	31.7
CIS in Asia	23.1	24.0	24.3	4.5	4.9	5.0	0.7	0.7	0.7	28.3	29.6	29.9
Kazakhstan	11.5	13.7	13.1	2.2	2.5	2.7	0.3	0.3	0.3	14.0	16.5	16.1

Note: Totals computed from unrounded data.

of the significant reduction in the main crop season output, and the continued displacement of some 100 000 people affected by the conflict last year.

Near East

In **Afghanistan**, despite localized damage from floods and unusually high temperatures during summer and spring, the aggregate cereal harvest is estimated up on the average harvest of the past five years.

Asian CIS

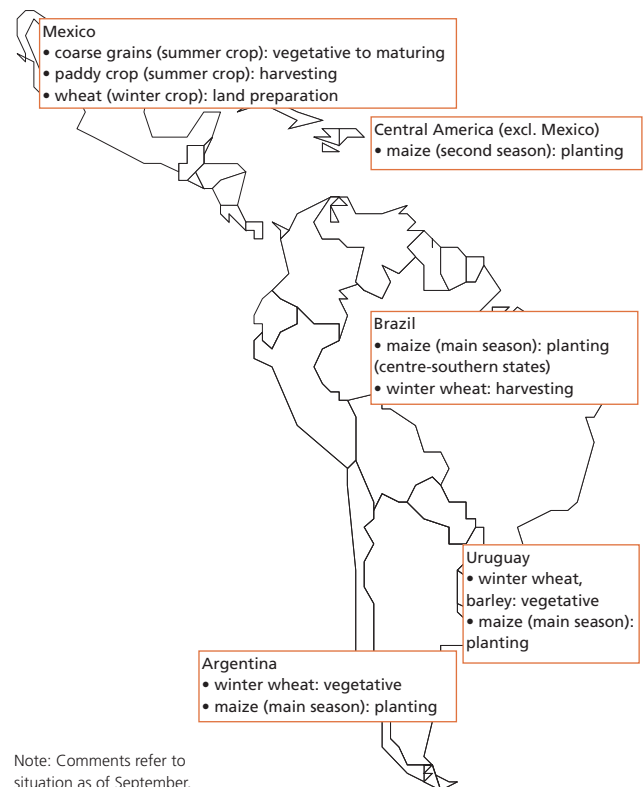
In the Asian CIS subregion, aggregate cereal output is estimated at about 30 million tonnes, nearly 300 000 tonnes up on last year's level. Wheat is the most important cereal crop in the subregion, and is estimated at about 24.3 million tonnes. Aggregate coarse grains output in the subregion is now estimated at 5 million tonnes, some 100 000 tonnes up on last year's harvest. Kazakhstan is the largest cereal producer in the subregion accounting for more than 53 percent of the total production.

Latin America and the Caribbean

Central America and the Caribbean Good prospects for 2007 cereal crops in Mexico but hurricanes cause losses elsewhere

The 2007 aggregate cereal output of the subregion is forecast by FAO at 40.3 million tonnes, about 2.4 million tonnes above the previous year's level and 3.5 million tonnes above the average of the last five years.

In **Mexico**, harvesting of the 2007 main rain-fed summer coarse grain crops, accounting for some 75 percent of the annual production, is expected to start from late October. Heavy and constant rains in August have caused some floods in coastal areas of northern departments of Tamaulipas and Veracruz, with localized losses of coffee, sugar cane and citrus crops. However, in all major cereal producing areas, moderate to heavy precipitations have maintained favourable moisture levels and early official forecasts point to a record production of coarse grain crops, above 30 million tonnes, with an increase of 7.4 percent from the previous year's level, mainly as a consequence of an expansion in the areas planted. Land is being prepared for planting the important winter wheat crop for harvest in 2008 in the almost fully irrigated areas of north-western states. Heavy rains at the beginning of September (especially due to the tropical storm "Henriette") have improved the water level of the main reservoirs. In the other Central American countries, harvesting of the 2007 first season maize crop has been virtually completed and planting of the second season crops, especially beans, has already begun. The outputs are provisionally estimated to be good and the subregion's 2007 aggregate maize output is expected at 4 million tonnes, an increase of 12 percent from last year.



At the beginning of September, powerful hurricane "Felix" severely hit the northeast Atlantic coast of Nicaragua, affecting the Northern Atlantic Autonomous Region (RAAN) and the departments of Jinotega and Nueva Segovia. It caused losses of lives, and floods and landslides, with significant damage to housing and infrastructure as well as to basic food crops production (mainly second season maize and paddy crops, but also fruit trees such as banana, coconut and mango). Continued flooding and saturated soils may prevent re-planting of maize

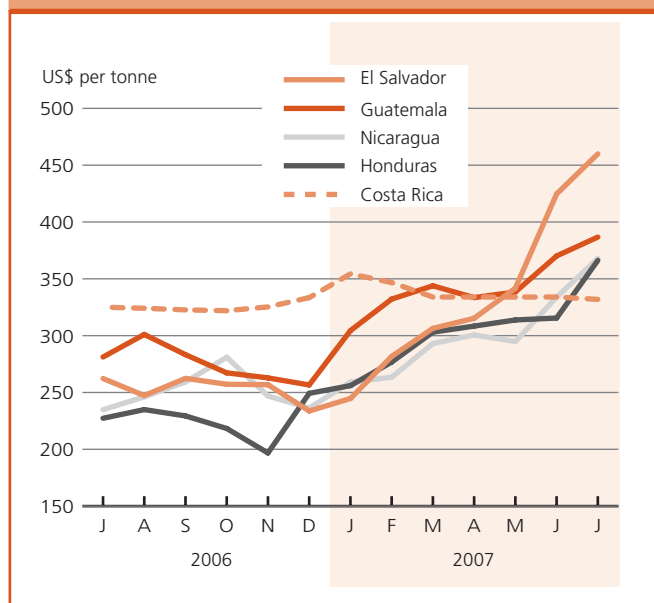
and paddy crops. More than 32 000 families, mainly indigenous groups, among the poorest and most vulnerable communities in the country, have been affected and are in need of urgent humanitarian assistance to recover their basic livelihood systems. Hurricane "Felix" caused also some infrastructural damage in Honduras, especially in northern departments of Colón, Olancho and Cortés, but losses of cereal crops are officially reported to be minimal. At the same time, heavy rains have improved soil moisture in southern departments of Choluteca and Valle that were affected by poor rainfall distribution in June and July, with significant losses of first season food crops.

In the Caribbean, the passage of hurricane "Dean" in mid-August considerably affected agriculture production in Jamaica, Saint Lucia, Martinique and Dominica with up to 100 percent losses of food and cash crops. In these countries, a decreased availability of food and cash crops like bananas, tubers, cocoa, coffee and vegetables is expected in the coming months, most likely accompanied by rising prices in local markets. Nonetheless, in Haiti, the Dominican Republic and Cuba, the abundant seasonal rains were in general beneficial for yields of the main food and cash crops and production is estimated from average to above-average levels.

Soaring basic food prices in Central American countries

Prices of basic staple food in most countries of the subregion have showing a steep upward trend (Figure 11). Prices of wheat, maize and rice have increased between 30 and 100 per cent in less than 12 months, as a consequence of high international cereal prices, coupled with sustained domestic demand. The situation is expected to adversely affect food access of the poorest households who are highly dependent on purchased food.

Figure 11. Nominal wholesale price of white maize



South America

Wheat production in 2007 set to recover from reduced level last year

Harvesting of the 2007 winter wheat crop has recently started in centre-south states of Brazil. By the end of October, the harvests are expected to start in the important growing areas of Argentina, Uruguay and Paraguay. Aggregate wheat production for the subregion is tentatively forecast slightly above 21 million tonnes, an about average crop and 7 percent above the previous year's reduced output, when production was negatively affected by unfavourable weather conditions in several producing countries as well as by reduced plantings in Brazil.

Table 11. Latin America and Caribbean cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Latin America & Caribbean	23.7	23.0	24.5	103.1	107.3	127.5	26.5	24.7	23.9	153.3	155.0	175.8
Central America & Caribbean	3.0	3.3	3.4	29.6	32.2	34.4	2.4	2.4	2.4	35.0	37.9	40.3
Mexico	3.0	3.2	3.4	25.8	28.2	30.3	0.3	0.3	0.4	29.1	31.8	34.1
South America	20.7	19.8	21.1	73.4	75.1	93.1	24.2	22.2	21.4	118.3	117.1	135.6
Argentina	12.6	14.3	14.0	24.5	18.3	26.8	1.0	1.2	1.1	38.0	33.8	41.8
Brazil	4.7	2.5	4.0	37.7	45.0	54.3	13.4	11.7	11.3	55.7	59.2	69.6
Colombia	0.0	0.0	0.0	1.8	1.7	1.7	2.5	2.3	2.5	4.4	4.0	4.3

Note: Totals computed from unrounded data.

Harvesting of the 2007 second season maize crop has been recently completed in the subregion and the 2007 aggregate production (first and second season) is confirmed to be at a record 83.6 million tonnes, well above the five-year average of 65.3 million tonnes. This extraordinary result is due to an increase in the area planted in response to high international prices, coupled with excellent weather conditions during the growing season that boosted yields to record levels. In particular, the 2007 maize output in Brazil, the main producer in the subregion, is officially estimated at 52.2 million tonnes, about one-quarter above the good level obtained in 2006.

Increased maize plantings expected for 2008 summer crop but dry conditions delay fieldwork

Planting of the important 2008 summer maize crop is underway in southern countries of the subregion. Limited soil moisture is delaying planting operations in Argentina, Chile and Uruguay; additional precipitations are needed in the next weeks in order to fulfil national planting programmes. At sub-regional level, it is expected that the area planted with 2008 maize crop will continue to increase, responding

to higher prices and greater profitability compared with soybean. The 2008 area planted is expected to exceed 21 million hectares, with an increase of about 7-8 percent on 2007. Assuming a return to average yields after the record levels achieved in 2007, the aggregate 2008 maize crop production is tentatively forecast between 76 and 78 million tonnes.

High international prices of wheat raise concern for price of bread in Andean countries

The current high level of international wheat prices is raising concern in all Andean countries where production of bread, the basic staple, heavily depends on imported wheat flour. In Ecuador, the Government has authorized imports with no levy for wheat flour from Argentina in order to control local price of bread. In Bolivia, the Government has empowered the national army to run some industrial bakeries to produce bread at affordable prices for the most vulnerable population. In Peru, the price of imported wheat has increased by 50 percent since the beginning of the year with resulting increases in the price of bread: the local Bakers Association has proposed the adoption of "bread-coupons" with the aim to subsidize bread for the poorest families.

FAO assessment of agricultural damage by hurricane Dean in Dominica

The island of Dominica is the largest and most mountainous of the Windward Islands in the Eastern Caribbean. With an area of 754 square kilometres, it has an estimated population of 71 000 people. Although flat land is only 2 percent of the whole territory, the agricultural sector represents an important share of real GDP, with about 17 percent in 2006. The banana sector, traditional mainstay of the local economy, has declined from a production of 60 000 tonnes in early 1990s to less than 12 000 tonnes in 2006, essentially due to the gradual loss of preferential European markets.

At request of the Ministry of Agriculture of Dominica, an FAO mission visited the country from 3-12 September to assess the damage caused by the passage of hurricane Dean between 16-17 August and to evaluate short and medium term rehabilitation of the crops, livestock, fishery and forestry sub-sectors. Major losses have been reported

in the banana sector, still a major foreign exchange earner, where over 90 percent of the production has been totally destroyed. Other important export crops to be sold in nearby islands such as citrus, avocado, mango, cocoa and hot peppers have also suffered important damage. The main losses are reported in the south, southeast, east and west regions. Reduced availability of food crops coupled with rising prices is expected in the incoming weeks in the main Dominica markets with reduced access to food for the poorest consumers. The livelihood systems of about 3 000 farming families and 3 000 fishing families have been seriously affected and will need several months to recover.

The final report of the Mission will be published in October on the Global Information and Early Warning System website <http://www.fao.org/giews/english/index.htm>

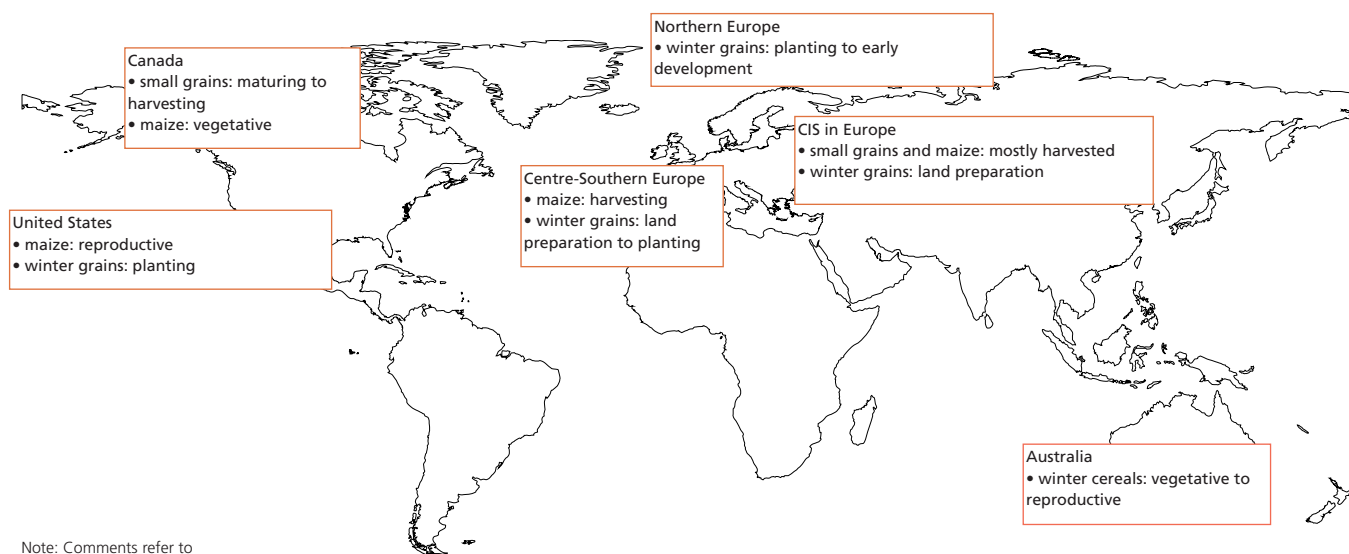
North America, Europe and Oceania

North America

Good wheat and bumper maize crops in the US but prospects deteriorate in Canada

The **United States'** 2007 wheat output is officially estimated to have increased by almost 17 percent compared to the previous year, to 57.5 million tonnes. A sharp expansion of planted area and mostly favourable weather contributed to raise output from the below-average harvest in 2006, although adverse weather in some major growing areas during the spring limited the crop from reaching its earlier potential. As of mid-September, planting of the winter wheat crop for harvest in **2008** was underway in several states. In the northwest, progress was reported to be ahead of average but behind average in the Great Plains, where rains have caused some interruptions to fieldwork, and where much attention was still on the harvest of the large maize crop. However, the rains will have been beneficial to the winter wheat crops that are already in the ground. Good precipitation in previously dry parts of the southern Corn Belt has also been beneficial in improving soil moisture conditions for the winter wheat planting there, which is due in late September and October. Based on current market indications, which point to a very tight wheat supply situation in 2007/08 and continuing strong prices, it is expected that the area planted to winter wheat in the United States could increase further from last year's already above-average level. In early September, the USDA announced that it was considering the release of land from the Conservation Reserve Programme (CRP), which could potentially help to boost production in 2008,

should farmers take up on the offer and plant wheat on the released area. With regard to coarse grains, as of mid-September, harvesting of maize was well advanced in southern parts but just 14 percent done across all the main producing states as a whole. This year's maize crop is now officially forecast at its highest ever level of almost 338 million tonnes, about 27 percent above the average of the past five years. The increase reflects the largest sown area in several decades, in response to exceptionally strong domestic demand for maize-based ethanol production, and near record yields expected. In **Canada**, prospects for the 2007 cereal harvest have deteriorated since the last report due to unfavourable hot and dry weather conditions in July in western and eastern producing regions. Although the 2007 wheat output was already expected to decrease because of a significant reduction in area, official estimates in September also factored in expected yield losses due to the unfavourable summer weather, which brought crops to maturation earlier than normal, and put the total wheat output at 20.3 million tonnes, about 20 percent down from last year's good crop and below the average of the past few years. Planting of winter wheat in western Canada got off to an early start this year, benefiting from the early harvest, and the area sown could increase. Winter wheat, however, amounts to only a small fraction (about 10-15 percent) of the countries total annual wheat output. However, a sharp increase in coarse grains production (mainly barley, maize and oats) is still expected, reflecting considerably larger plantings. Aggregate coarse grain output was officially forecast at over 28 million tonnes in September, about 15 percent above the average of the past five years.



Note: Comments refer to situation as of September.

Europe

Adverse weather trims back EU cereal harvests in 2007 but prospects for the 2008 winter grain planting are favourable

The forecast for the **European Union's** aggregate cereal output in 2007 has been reduced significantly since the previous report in July, to 263 million tonnes, 2.5 percent down from the aggregate output of the 27 countries in the previous year. Yield prospects deteriorated during the summer in some of the large producers in northern Europe due to adverse summer weather (dryness followed by excessive rain), and in southeast Europe because of persisting exceptionally hot and dry conditions. The bulk of the wheat crop has already been harvested and latest estimates put output at 123 million tonnes, the lowest production since the severe drought-affected year of 2003. The countries with the largest weather-related wheat losses are Bulgaria and Romania in the southeast, where outputs fell to 35 percent and 45 percent below the five-year average respectively, due to drought and extreme hot temperatures. The major northern producers France and Germany report yields that are below those of last year and the five-year average due to summer dryness and wet conditions at harvest, although the latter are likely to have had more impact on crop quality rather than quantitatively. Regarding coarse grains, the EU's maize crop has also been badly hit by the drought in the south-eastern countries, which account for a large share of the production. The outputs in Hungary and Romania are forecast are about 40 percent and 70 percent below their five-year average. Contrary to the situation for wheat and maize, outputs of barley, rye and oats are all forecast to increase slightly this year. However, the increase (especially for barley), comes largely

from Poland and Spain, virtually the only major EU producers that have had generally satisfactory 2006/07 growing seasons. The winter cereal planting for crops to be harvested in **2008** is already well underway in the main northern/western producing countries, under generally satisfactory weather conditions so far. In the southeast, some good rainfall in mid-September, although hampering the still ongoing 2007 harvests was extremely beneficial for the winter cereal prospects there, given the very low levels of soil moisture after the dry summer. Given the current market conditions of tight supply and strong prices, assuming satisfactory autumn weather throughout the main producers, it is very likely that the winter grain area will increase further in the 27 member countries for next year's harvest. In late September the EU removed the 10 percent obligatory set-aside for the 2007/08 season, which could bring up to an estimated 3 million hectares of land back into production.

In CIS, reduced plantings and drought impact on 2007 cereal output but increased winter wheat area for 2008 is already foreseen

In the **European CIS** (The Russian Federation, The Ukraine, Belarus and Moldova), aggregate cereal output in 2007 is now estimated at about 113 million tonnes, some 6 million tonnes down from last year's already relatively poor harvest. This year's production was limited partly by reduced planting and partly by lower yields as a result of exceptionally hot and dry weather during much of the spring and summer. The worst affected countries were Moldova and Ukraine. In Ukraine, the spring barley plantings were

Table 12. North America, Europe and Oceania cereal production (*million tonnes*)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
North America	84.1	74.6	77.9	325.1	303.7	385.7	10.1	8.8	8.7	419.3	387.1	472.3
Canada	26.8	25.3	20.3	26.0	23.3	28.3	0.0	0.0	0.0	52.8	48.6	48.6
United States	57.3	49.3	57.5	299.1	280.4	357.4	10.1	8.8	8.7	366.5	338.5	423.7
Europe	208.0	191.3	189.9	214.2	209.0	198.7	3.4	3.4	3.4	425.6	403.7	391.9
EU ¹	124.3	117.7	123.5	134.4	127.4	137.1	2.7	2.6	2.6	261.4	247.7	263.2
Romania ²	7.3	5.3	0.0	11.5	9.9	0.0	0.0	0.0	0.0	18.8	15.3	0.0
Serbia	2.0	1.9	1.4	7.1	6.9	7.0	0.0	0.0	0.0	9.1	8.8	8.4
CIS in Europe	68.6	60.6	62.5	53.6	57.3	49.4	0.7	0.8	0.8	122.8	118.7	112.8
Russian Federation	47.7	44.9	46.3	28.3	31.1	29.9	0.6	0.7	0.7	76.5	76.7	76.9
Ukraine	18.7	13.9	14.6	18.7	20.1	13.7	0.1	0.1	0.1	37.4	34.1	28.4
Oceania	25.7	10.1	15.8	15.0	7.7	9.4	0.3	1.1	0.2	41.0	18.9	25.4
Australia	25.4	9.8	15.5	14.4	7.1	8.8	0.3	1.0	0.2	40.1	18.0	24.4

¹ EU-25 in 2005, 2006; EU-27 in 2007.

² In 2007 included in EU-27.

Note: Totals computed from unrounded data.

reduced as a result of heavy rains at planting time in early spring, but then subsequent hot and dry conditions, which set-in for most of the remainder of the spring and summer comprised yields of all the crops. Latest estimates put the total cereal output in 2007 at 28.4 million tonnes, well below last year and about 15 percent below the five-year average. In Moldova, the effect of drought was even more devastating, cutting the total cereal harvest by nearly 60 percent compared with the average of the past five years (see box for details). The Russian Federation, the largest producer in the group, was the least affected by the adverse conditions afflicting the subregion during the season, partly because some major producing areas of the country were not affected by the drought, which was mostly restricted to south-eastern parts of Europe, and partly because the drought was not as severe as in the more southern parts around the Black Sea. Aggregate plantings and yields in the country were close to the recent average and total cereal output is estimated to rise marginally this year compared to 2006 and the average. Planting of winter grains for harvest in **2008** is already underway in parts of the subregion. Early indications in Ukraine point to a larger area being sown, but the level of soil moisture in eastern, southern and some central parts remains unfavourable dry after the long summer drought, which will impair emergence and early development unless good rains arrive soon.

Oceania

Prospects for approaching winter grain harvest deteriorate sharply

As the winter cropping season in **Australia** has progressed, exceptionally dry conditions in many major producing parts have significantly reduced the yield potential of the developing crops. The official wheat crop forecast released in early September has been reduced sharply from previous expectations, which had been very favourable given the good conditions at planting, and the increased area sown. The latest forecast now stands at 15.5 million tonnes, down some 30 percent from the forecast in June. However, if materialized, this output will still represent an almost 60 percent increase from the severely drought reduced crop in 2006, when dry conditions plagued virtually the whole of the season. Despite the drier than normal winter, many of this year's crops at least have the advantage of some residual soil moisture from the planting period to carry them through the critical spring growth period. The early outlook for the minor summer grain crop for harvest in **2008** (mainly sorghum and maize) to be planted in the coming weeks suggests a partial recovery from last year's sharply reduced crop is possible but output will nevertheless be far below the five-year average. Despite generally low soil water reserves, the main summer crop growing areas have received some timely rainfall for planting, while price incentives for sorghum in particular are expected to encourage farmers to increase the area of this crop.

Moldova's worst drought in living memory seriously impacts food production

■ Moldova's 2007 drought has been the most severe in living memory; however, it represents the extreme manifestation of a trend to drier weather conditions, which started in the early 1990s.

■ Aggregate cereal production is down by 63 percent compared to last year, and about 70 percent lower than the average of the past five years. Wheat output is estimated at 464 000 tonnes, maize at 276 000 tonnes, and barley at 86 000 tonnes.

■ Reduced yields in winter crops (mostly wheat and barley down by 40 percent and 55 percent, respectively) and summer crops (sunflower, maize, grapes, etc.) affected overall production and drastically reduced returns on leased land and on labour to the majority of small holders, who usually receive in-kind payments of wheat, corn, oil. Household production from home gardens, a mainstay of food supply for most rural families (70 percent of population) was also down sharply.

■ Lack of pasture/fodder and the need to purchase increasingly expensive food have forced the majority of households to sell a substantial share of their livestock, notably cattle, but also pigs and sheep.

■ The share of total lending going to the agricultural sector is relatively small, but small farmer associations and limited liability companies had borrowed from banks, Savings and Loans Associations, and from agricultural input suppliers. Debt outstanding is on the order of US\$30.5 million for small farms and associations, and over US\$100 million for Enterprises and Corporations. Unless loans are re-scheduled a failed cropping season may be followed by a delayed or sharply curtailed one.

■ Since 2001, Moldova has had a growing deficit in live animals and animal products (the net trade deficit being

about US\$40 million in 2005). In the last ten years the net trade in cereals has been positive except in 2003, when the country was struck by the preceding drought (nearly US\$10 million in net import value).

■ To maintain the national food balance, commercial wheat imports, including for emergency stock build-up, are expected to reach about 237 000 tonnes. With greater damage to summer crops, and in spite of the reduction of the national livestock herd, maize imports are likely to be much higher, perhaps as much as 500 000 tonnes. Some of this will be for human consumption, but most of the maize imports will be for livestock feed. Even with adequate overall supply, food prices will remain high or rise further. With already stressed household budgets, food access is likely to decrease for the poorer part of the population.

■ Urgent measures to be taken include the provision of agricultural inputs for October planting, subsidies for livestock feed, in order to prevent any further de-stocking, relief on land taxes and essential food import duties, and stepping up social assistance programs; the latter could include allowances to vulnerable groups, expanded school canteen programs and cash for public work programs. Given the prevalence of anaemia, imported wheat should be fortified.

■ Medium-term measures should include a rebuilding of the national herd, improved seed production and multiplication, appropriate crop mix and water resources for home gardens, and an upgrade in food security monitoring and early warning tools/systems.

■ Longer-term measures include a more sustainable strategy for the agricultural sector, greater and less expensive access to credit, and to agricultural insurance, including weather-indexed risk management instruments.

Statistical appendix

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Table A1. Global cereal supply and demand indicators

	Average					
	2000/01 -					
	2004/05	2003/04	2004/05	2005/06	2006/07	2007/08
	<i>(..... percentage.....)</i>					
1. Ratio of world stocks to utilization						
Wheat	33.6	26.1	28.4	28.7	25.4	22.6
Coarse grains	19.0	15.2	19.1	18.1	14.6	16.3
Rice	30.1	25.4	23.7	24.8	24.8	24.7
Total cereals	25.8	20.6	22.9	22.7	19.9	19.9
2. Ratio of major grain exporters' supplies to normal market requirements						
	121	117	137	133	116	119
3. Ratio of major exporters' stocks to their total disappearance						
Wheat	20.4	17.0	21.7	23.3	15.5	10.9
Coarse grains	15.2	10.7	19.0	18.0	11.7	13.2
Rice	19.2	15.9	13.2	15.8	16.5	15.7
Total cereals	18.3	14.5	18.0	19.0	14.6	13.3
	Annual trend growth rate		Change from previous year			
	1997-2006	2003	2004	2005	2006	2007
	<i>(..... percentage.....)</i>					
4. Changes in world cereal production						
	0.6	3.4	9.1	-0.9	-2.2	5.3
5. Changes in cereal production in the LIFDCs						
	1.3	2.9	3.1	5.1	3.2	1.0
6. Changes in cereal production in LIFDCs less China and India						
	3.5	8.6	-0.8	6.7	4.3	-1.8
	Average		Change from previous year			
	2000/01 -	2002/03	2003/04	2004/05	2005/06	2006/07
	2004/05	<i>(..... percentage.....)</i>				
7. Selected cereal price indices:						
Wheat (July/June)	110.8	21.3	-1.1	-1.0	5.2	25.4
Maize (July/June)	100.2	18.6	7.1	-15.2	6.4	44.6
Rice (Jan./Dec.)	83.1	-3.9	14.7	26.7	-1.0	5.8

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 July/June 1997/98-1999/00 = 100; For **maize**, the U.S. maize No. 2 Yellow (delivered U.S. Gulf ports) with base July/June, 1997/98-1999/00 = 100; For **rice**, the FAO Rice Price Index, 1998-2000=100, is based on 16 rice export quotations. Rice index refers to the first year shown.

Table A2. World cereal stocks¹ (million tonnes)

	2003	2004	2005	2006	2007 estimate	2008 forecast
TOTAL CEREALS	484.9	417.4	466.7	469.2	419.7	420.2
Wheat	202.5	161.2	176.6	178.5	157.6	143.2
held by:						
- main exporters ²	39.1	39.0	55.5	58.8	38.3	27.5
- others	163.4	122.2	121.0	119.7	119.3	115.7
Coarse grains	163.5	151.0	191.2	185.3	155.4	170.0
held by:						
- main exporters ²	55.3	48.5	92.8	91.3	58.6	73.5
- others	108.2	102.5	98.4	94.0	96.9	96.5
Rice (milled basis)	119.0	105.2	98.9	105.5	106.7	107.0
held by:						
- main exporters ²	21.7	22.5	18.9	22.9	24.4	23.7
- others	97.3	82.7	80.1	82.5	82.3	83.3
Developed countries	145.2	123.5	189.7	191.9	131.2	126.1
Australia	5.2	9.2	11.1	15.8	6.6	2.3
European Union ³	33.7	21.5	47.7	45.8	33.7	29.8
Canada	8.9	10.3	14.5	16.2	10.8	9.1
Hungary ⁴	1.4	0.8	-	-	-	-
Japan	5.4	4.9	4.7	4.8	4.4	4.1
Poland ⁴	2.9	2.4	-	-	-	-
Romania ⁵	2.0	1.2	5.0	5.0	3.0	-
Russian Federation	12.5	7.3	9.1	9.3	8.5	8.5
South Africa	3.8	3.5	4.1	4.1	2.9	1.4
Ukraine	5.1	2.9	4.4	5.0	4.4	3.5
United States	45.1	44.4	74.7	71.7	45.8	58.4
Developing countries	339.8	293.9	277.0	277.3	288.5	294.0
Asia	306.4	252.3	233.8	234.7	241.9	248.0
China	209.4	163.3	152.4	149.7	155.2	164.4
India	39.8	32.9	26.7	25.8	28.7	30.5
Indonesia	5.7	6.0	5.7	5.1	5.6	5.7
Iran (Islamic Republic of)	4.4	3.5	2.7	3.1	3.1	2.3
Korea, Republic of	2.8	2.9	2.4	2.9	3.1	2.6
Pakistan	2.9	1.9	1.8	3.1	3.2	3.5
Philippines	2.2	1.9	2.2	2.7	3.1	2.6
Syria	4.1	4.2	4.5	4.6	3.3	2.4
Turkey	8.0	7.2	6.5	4.6	5.3	4.1
Africa	19.0	21.7	23.4	26.1	32.4	28.9
Algeria	2.5	2.6	3.6	4.4	4.7	4.9
Egypt	3.2	2.7	3.1	4.2	4.1	3.3
Ethiopia	0.9	0.4	0.3	1.0	2.9	3.2
Morocco	1.8	2.9	4.6	2.4	3.6	1.3
Nigeria	2.0	1.6	1.2	1.4	2.2	2.2
Tunisia	0.6	1.0	1.2	1.4	1.5	1.1
Central America	5.6	5.8	6.3	4.6	4.3	4.8
Mexico	3.7	3.9	4.6	2.8	2.6	3.2
South America	8.4	13.8	13.2	11.7	9.6	12.2
Argentina	3.2	3.8	2.4	2.8	2.1	3.0
Brazil	1.6	5.8	6.2	4.0	2.7	4.9

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 2004 15 member countries, from 2005 to 2007 25 member countries, in 2008 27 member countries.

⁴ From 2005 included in the EU.

⁵ In 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 (US\$/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
Monthly						
2006 – September	208	165	167	119	114	128
2006 – October	218	196	191	141	135	154
2006 – November	219	192	185	166	172	169
2006 – December	216	190	186	160	162	169
2007 – January	208	176	183	164	161	173
2007 – February	209	175	175	177	165	178
2007 – March	209	168	187	170	160	171
2007 – April	206	171	209	150	144	145
2007 – May	203	180	219	159	147	155
2007 – June	231	205	239	165	156	166
2007 – July	250	223	249	146	141	157
2007 – August	277	254	273	152	157	171
2007 – September	342	323	325	158	169	177

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. Estimated Cereal Import Requirements of Low-Income Food-Deficit Countries¹ 2006/07 or 2007 estimates (thousand tonnes)

	Marketing year	2005/06 or 2006 Actual imports			Total import requirements (excl. re-exports)	2006/07 or 2007 Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		36 328.3	2 707.5	39 035.8	36 795.4	28 123.2	1 990.9	26 132.3
North Africa		16 347.7	5.3	16 353.0	16 038.0	16 038.0	12.2	16 025.8
Egypt	July/June	12 019.7	5.3	12 025.0	12 120.0	12 120.0	12.2	12 107.8
Morocco	July/June	4 328.0	0.0	4 328.0	3 918.0	3 918.0	0.0	3 918.0
Eastern Africa		4 154.6	1 684.3	5 838.9	5 158.0	4 256.5	1 190.6	3 065.9
Burundi	Jan./Dec.	60.1	56.9	117.0	126.0	30.2	30.2	0.0
Comoros	Jan./Dec.	57.0	0.0	57.0	41.0	6.1	0.0	6.1
Djibouti	Jan./Dec.	62.1	9.9	72.0	74.0	35.4	2.9	32.5
Eritrea	Jan./Dec.	176.6	42.0	218.6	296.0	52.7	7.0	45.7
Ethiopia	Jan./Dec.	9.5	552.1	561.6	369.0	350.0	349.3	0.7
Kenya	Oct./Sept.	1 206.7	230.7	1 437.4	1 156.0	1 156.0	188.2	967.8
Rwanda	Jan./Dec.	167.8	30.8	198.6	192.0	37.9	16.4	21.5
Somalia	Aug./July	317.3	102.7	420.0	440.0	440.0	115.2	324.8
Sudan	Nov./Oct.	1 227.0	508.8	1 735.8	1 490.0	1 280.7	371.2	909.5
Uganda	Jan./Dec.	126.7	116.5	243.2	241.0	144.5	69.8	74.7
United Rep. of Tanzania	June/May	743.8	33.9	777.7	733.0	723.0	40.4	682.6
Southern Africa		3 389.1	456.9	3 846.0	3 073.6	3 073.6	354.6	2 719.0
Angola	April/March	654.4	32.8	687.2	876.0	876.0	20.7	855.3
Lesotho	April/March	193.7	15.6	209.3	191.4	191.4	10.1	181.3
Madagascar	April/March	279.8	34.7	314.5	262.1	262.1	34.3	227.8
Malawi	April/March	287.2	91.3	378.5	224.2	224.2	62.8	161.4
Mozambique	April/March	945.6	107.0	1 052.6	882.8	882.8	96.6	786.2
Swaziland	May/April	106.5	15.3	121.8	128.0	128.0	5.8	122.2
Zambia	May/April	167.9	68.3	236.2	83.9	83.9	28.1	55.8
Zimbabwe	April/March	754.0	91.9	845.9	425.2	425.2	96.2	329.0
Western Africa		10 887.0	448.7	11 335.7	10 870.3	4 278.6	384.9	3 893.7
Coastal Countries		8 542.7	172.3	8 715.0	8 210.1	2 955.2	100.9	2 854.3
Benin	Jan./Dec.	96.7	7.2	103.9	115.0	77.5	0.3	77.2
Côte d'Ivoire	Jan./Dec.	1 492.1	14.7	1 506.8	1 264.1	500.8	10.4	490.4
Ghana	Jan./Dec.	812.1	39.7	851.8	825.0	316.1	40.4	275.7
Guinea	Jan./Dec.	499.7	22.9	522.6	467.0	82.3	4.7	77.6
Liberia	Jan./Dec.	205.8	58.8	264.6	265.0	131.2	24.4	106.8
Nigeria	Jan./Dec.	5 080.0	0.0	5 080.0	4 880.0	1 742.5	0.0	1 742.5
Sierra Leone	Jan./Dec.	260.3	28.7	289.0	299.0	45.9	20.7	25.2
Togo	Jan./Dec.	96.0	0.3	96.3	95.0	58.9	0.0	58.9
Sahelian Countries		2 344.3	276.4	2 620.7	2 660.2	1 323.4	284.0	1 039.4
Burkina faso	Nov./Oct.	294.0	26.4	320.4	349.7	60.3	24.5	35.8
Cape Verde	Nov./Oct.	54.0	23.8	77.8	80.4	35.2	5.1	30.1
Chad	Nov./Oct.	68.8	50.4	119.2	127.1	101.9	69.1	32.8
Gambia	Nov./Oct.	105.7	7.6	113.3	114.7	31.2	6.3	24.9
Guinea Bissau	Nov./Oct.	70.8	4.4	75.2	86.4	11.5	6.5	5.0
Mali	Nov./Oct.	243.4	27.5	270.9	252.6	98.3	41.2	57.1
Mauritania	Nov./Oct.	352.0	59.7	411.7	337.4	161.7	45.9	115.8
Niger	Nov./Oct.	252.7	62.1	314.8	311.0	79.8	69.9	9.9
Senegal	Nov./Oct.	902.9	14.5	917.4	1 000.9	743.5	15.5	728.0
Central Africa		1 549.9	112.3	1 662.2	1 655.5	476.5	48.6	427.9
Cameroon	Jan./Dec.	619.3	7.0	626.3	630.0	192.6	0.0	192.6
Cent. Afr. Rep.	Jan./Dec.	40.6	11.1	51.7	53.5	31.8	18.4	13.4
Congo, Dem. Rep.	Jan./Dec.	326.0	4.5	330.5	310.0	51.8	2.8	49.0
Congo, Rep.	Jan./Dec.	521.9	88.7	610.6	627.0	187.6	27.4	160.2
Eq. Guinea	Jan./Dec.	27.5	0.0	27.5	23.0	9.4	0.0	9.4
Sao Tome & Principe	Jan./Dec.	14.6	1.0	15.6	12.0	3.3	0.0	3.3

Table A4b.

Marketing year	2005/06 or 2006 Actual imports			Total import requirements (excl. re-exports) ¹	2006/07 or 2007 Import position ²			
	Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases	
ASIA	41 633.7	1 312.2	42 945.9	49 350.4	46 684.3	1 115.7	45 568.6	
CIS in Asia	2 772.0	186.0	2 958.0	3 479.0	3 479.0	166.0	3 313.0	
Armenia	July/June	174.0	3.0	177.0	288.0	288.0	8.0	280.0
Azerbaijan	July/June	1 062.0	6.0	1 068.0	1 385.0	1 385.0	84.0	1 301.0
Georgia	July/June	878.0	15.0	893.0	938.0	938.0	14.0	924.0
Kyrgyzstan	July/June	140.0	30.0	170.0	276.0	276.0	0.0	276.0
Tajikistan	July/June	226.0	132.0	358.0	335.0	335.0	60.0	275.0
Turkmenistan	July/June	13.0	0.0	13.0	4.0	4.0	0.0	4.0
Uzbekistan	July/June	279.0	0.0	279.0	253.0	253.0	0.0	253.0
Far East		27 157.1	972.1	28 129.2	35 140.4	33 949.4	819.7	33 129.7
Bangladesh	July/June	2 648.0	183.0	2 831.0	3 150.0	3 150.0	166.1	2 983.9
Bhutan	July/June	70.7	0.3	71.0	71.0	71.0	0.4	70.6
Cambodia	Jan./Dec.	37.5	4.4	41.9	40.0	20.9	5.3	15.6
China	July/June	10 231.0	0.0	10 231.0	8 479.0	8 479.0	0.0	8 479.0
D.P.R. of Korea	April/March	94.3	533.6	627.9	960.0	483.3	416.6	66.7
India	April/March	721.6	37.0	758.6	6 812.3	6 812.3	35.3	6 777.0
Indonesia	Nov./Oct.	5 896.4	48.3	5 944.7	8 192.8	8 192.8	32.5	8 160.3
Lao, P.D.R.	Jan./Dec.	18.1	9.5	27.6	27.8	8.3	7.6	0.7
Mongolia	Oct./Sept.	235.3	29.7	265.0	249.0	211.7	34.3	177.4
Nepal	July/June	130.5	9.7	140.2	240.0	240.0	7.6	232.4
Pakistan	May/April	932.1	0.0	932.1	423.7	423.7	19.9	403.8
Philippines	July/June	4 901.0	71.0	4 972.0	5 284.8	5 284.8	83.7	5 201.1
Sri Lanka	Jan./Dec.	1 190.6	45.6	1 236.2	1 150.0	511.6	10.4	501.2
Timor-Leste	July/June	50.0	0.0	50.0	60.0	60.0	0.0	60.0
Near East		11 704.6	154.1	11 858.7	10 731.0	9 255.9	130.0	9 125.9
Afghanistan	July/June	433.4	47.6	481.0	740.0	740.0	108.5	631.5
Iraq	July/June	5 980.2	28.8	6 009.0	4 430.0	4 430.0	7.4	4 422.6
Syrian Arab Republic	July/June	2 267.8	7.0	2 274.8	2 736.0	2 736.0	7.4	2 728.6
Yemen	Jan./Dec.	3 023.2	70.7	3 093.9	2 825.0	1 349.9	6.7	1 343.2
CENTRAL AMERICA		1 527.6	222.6	1 750.2	1 710.0	1 710.0	135.4	1 574.6
Haiti	July/June	569.7	80.3	650.0	659.0	659.0	90.7	568.3
Honduras	July/June	623.8	105.3	729.1	687.0	687.0	26.7	660.3
Nicaragua	July/June	334.1	37.0	371.1	364.0	364.0	18.0	346.0
SOUTH AMERICA		993.7	17.0	1 010.7	944.4	944.4	30.0	914.4
Ecuador	July/June	993.7	17.0	1 010.7	944.4	944.4	30.0	914.4
OCEANIA		415.7	0.0	415.7	415.7	156.0	0.0	156.0
Kiribati	Jan./Dec.	8.7	0.0	8.7	8.7	0.0	0.0	0.0
Papua New Guinea	Jan./Dec.	358.0	0.0	358.0	358.0	154.8	0.0	154.8
Solomon Islands	Jan./Dec.	29.5	0.0	29.5	29.5	0.0	0.0	0.0
Tonga	Jan./Dec.	6.4	0.0	6.4	6.4	1.2	0.0	1.2
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		1 617.7	1.2	1 618.9	1 611.0	1 611.0	0.0	1 611.0
Albania	July/June	458.8	1.2	460.0	440.0	440.0	0.0	440.0
Belarus	July/June	578.0	0.0	578.0	601.0	601.0	0.0	601.0
Bosnia and Herzegovina	July/June	580.9	0.0	580.9	570.0	570.0	0.0	570.0
TOTAL		82 516.7	4 260.5	86 777.2	90 826.9	79 228.9	3 272.0	75 956.9

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. US\$ 1 575 in 2004), which is in accordance with guidelines and criteria agreed to by the CFA should be given priority in the allocation of food aid.

² Estimates based on information available as of mid-September 2007.

Table A5. Estimated Cereal Import Requirements of Low-Income Food-Deficit countries¹ 2007/08 estimates (thousand tonnes)

	Marketing year	2006/07 Actual imports			Total import requirements (excl. re-exports) ¹	2007/08 Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		19 752.2	522.4	20 274.6	23 411.0	5 620.5	271.5	5 349.0
Northern Africa		16 025.8	12.2	16 038.0	18 951.0	4 674.1	0.0	4 674.1
Egypt	July/June	12 107.8	12.2	12 120.0	12 630.0	3 235.4	0.0	3 235.4
Morocco	July/June	3 918.0	0.0	3 918.0	6 321.0	1 438.7	0.0	1 438.7
Eastern Africa		1 007.4	155.6	1 163.0	915.0	17.9	16.6	1.3
Somalia	Aug./July	324.8	115.2	440.0	480.0	12.9	12.9	0.0
United Rep. of Tanzania	June/May	682.6	40.4	723.0	435.0	5.0	3.7	1.3
Southern Africa		2 719.0	354.6	3 073.6	3 545.0	928.5	254.9	673.6
Angola	April/March	855.3	20.7	876.0	780.0	148.3	0.6	147.7
Lesotho	April/March	181.3	10.1	191.4	256.0	74.6	3.8	70.8
Madagascar	April/March	227.8	34.3	262.1	284.0	119.8	32.9	86.9
Malawi	April/March	161.4	62.8	224.2	117.0	72.7	35.4	37.3
Mozambique	April/March	786.2	96.6	882.8	863.0	246.7	93.0	153.7
Swaziland	May/April	122.2	5.8	128.0	173.0	37.9	0.7	37.2
Zambia	May/April	55.8	28.1	83.9	65.0	9.0	4.4	4.6
Zimbabwe	April/March	329.0	96.2	425.2	1 007.0	219.5	84.1	135.4
ASIA		43 463.8	634.8	44 098.6	40 626.4	5 540.4	164.5	5 375.9
CIS in Asia		3 313.0	166.0	3 479.0	2 780.0	227.2	11.6	215.6
Armenia	July/June	280.0	8.0	288.0	271.0	26.8	0.0	26.8
Azerbaijan	July/June	1 301.0	84.0	1 385.0	976.0	104.2	0.0	104.2
Georgia	July/June	924.0	14.0	938.0	767.0	60.4	2.8	57.6
Kyrgyz Republic	July/June	276.0	0.0	276.0	165.0	20.3	0.0	20.3
Tajikistan	July/June	275.0	60.0	335.0	301.0	15.5	8.8	6.7
Turkmenistan	July/June	4.0	0.0	4.0	29.0	0.0	0.0	0.0
Uzbekistan	July/June	253.0	0.0	253.0	271.0	0.0	0.0	0.0
Far East		32 368.1	345.5	32 713.6	29 876.4	5 985.4	126.7	3 569.1
Bangladesh	July/June	2 983.9	166.1	3 150.0	3 750.0	279.7	85.1	194.6
Bhutan	July/June	70.6	0.4	71.0	71.0	0.0	0.0	0.0
China	July/June	8 479.0	0.0	8 479.0	9 467.0	195.6	0.0	195.6
India	April/March	6 777.0	35.3	6 812.3	3 050.0	3 235.4	19.3	926.5
Indonesia	April/March	8 160.3	32.5	8 192.8	7 341.4	1 689.4	16.5	1 672.9
Nepal	July/June	232.4	7.6	240.0	290.0	2.3	2.3	0.0
Pakistan	May/April	403.8	19.9	423.7	921.0	0.1	0.0	0.1
Philippines	July/June	5 201.1	83.7	5 284.8	4 926.0	582.9	3.5	579.4
Timor-Leste	July/June	60.0	0.0	60.0	60.0	0.0	0.0	0.0
Near East		7 782.7	123.3	7 906.0	7 970.0	1 617.4	26.2	1 591.2
Afghanistan	July/June	631.5	108.5	740.0	690.0	25.1	25.1	0.0
Iraq	July/June	4 422.6	7.4	4 430.0	4 430.0	1 590.0	0.0	1 590.0
Syria	July/June	2 728.6	7.4	2 736.0	2 850.0	2.3	1.1	1.2
CENTRAL AMERICA		1 574.6	135.4	1 710.0	1 716.0	117.1	117.1	0.0
Haiti	July/June	568.3	90.7	659.0	696.0	58.7	58.7	0.0
Honduras	July/June	660.3	26.7	687.0	635.0	24.0	24.0	0.0
Nicaragua	July/June	346.0	18.0	364.0	385.0	34.4	34.4	0.0
SOUTH AMERICA		914.4	30.0	944.4	1 020.0	8.4	0.0	8.4
Ecuador	July/June	914.4	30.0	944.4	1 020.0	8.4	0.0	8.4
EUROPE		1 611.0	0.0	1 611.0	1 650.0	79.6	0.0	79.6
Albania	July/June	440.0	0.0	440.0	440.0	0.0	0.0	0.0
Belarus	July/June	601.0	0.0	601.0	640.0	4.6	0.0	4.6
Bosnia-Herzegovina	July/June	570.0	0.0	570.0	570.0	75.0	0.0	75.0
TOTAL		67 316.0	1 322.6	68 638.6	68 423.4	11 366.0	553.1	10 812.9

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. US\$ 1 575 in 2004), which is in accordance with guidelines and criteria agreed to by the CFA should be given priority in the allocation of food aid.

² Estimates based on information available as of mid-September 2007.

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