No. 4 ■ October 2008

# Crop Prospects and Food Situation

## HIGHLIGHTS

- **World cereal production in 2008 is forecast to increase 4.9 percent to a record 2 232 million tonnes**, considerably up from earlier predictions after better than expected results from the major harvests gathered in the past two months.

- **Based on the latest production forecast, a significant improvement in the global supply and demand balance for cereals in the 2008/09 season can be expected**. Even allowing for a larger increase in utilization than was reported in July, an 8 percent increase in world cereal stocks could be possible.

- **International prices of most cereals have continued to fall in the past two months**, largely in response to favourable prospects for 2008 harvests and thus an improvement in the supply outlook for 2008/09, but also reflecting the influence of falling crude oil prices and financial turmoil in world economies.

- **Despite an improvement in the outlook for global cereal supplies in 2008/09 and the declines already witnessed in international prices, FAO's latest estimates indicate that 36 countries around the world are in need of external assistance** as a result of crop failures, conflict or insecurity, natural disasters, and high domestic food prices. Currently the humanitarian disaster evolving in Somalia gives rise to most concern because of its scale and the speed with which the situation continues to deteriorate.

- In **Eastern Africa**, the outlook remains unfavourable for the cereal harvests in several countries, including parts of Ethiopia, Somalia and parts of Kenya and Uganda. Millions of food insecure people throughout the subregion are in need of assistance. In **Western Africa**, overall early crop prospects are favourable and the current tight food situation is expected to ease somewhat from October onwards. In **Southern Africa**, the outcome of the recent main season cereal harvest was overall favourable with a recovery in production in South Africa and good crops in several other countries but output fell well below last year and the average in Zimbabwe, already suffering from deep economic crisis. In **North Africa**, cereal production recovered strongly in most parts affected by drought last year, but Tunisia is facing a smaller harvest.

- In **Asia**, the regional cereal output is set to increase slightly from last year's good level with bumper crops in China and India more than offsetting reductions expected in Pakistan and the Islamic Republic of Iran. However, serious food insecurity continues to afflict 12 countries in the region.

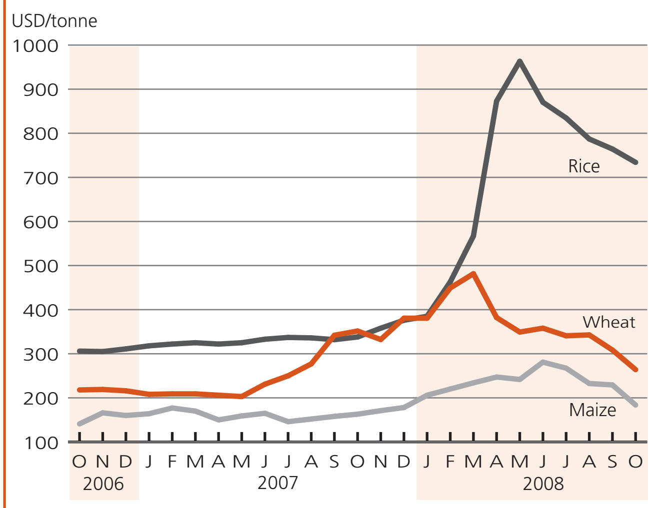
- In **South America**, record coarse grain crops have been harvested in 2008 following larger plantings, in response to high international prices, and favourable weather. Prospects for the wheat crop are mixed; plantings increased in Brazil but policy and weather factors led to smaller plantings in Argentina.

- **In many parts of the northern hemisphere the winter wheat crops for harvest in 2009 are already being planted**. Although planting conditions are generally favourable, early indications point to reduced wheat areas in both Europe and the United States, reflecting reduced price expectations compared to the outlook last year at this time, combined with the increasing cost of inputs.

## CONTENTS



### Selected international cereal prices




*Note*: Prices refer to monthly average. For October 2008, one week average.

# Countries in crisis requiring external assistance[1] (36 countries)

| Nature of food insecurity | Main reason | Changes from last report (July 2008) |
|---|---|---|
| AFRICA (21 countries) | | |
| **Exceptional shortfall in aggregate food production/supplies** | | |
| Lesotho | Low productivity, HIV/AIDS pandemic | ▲ |
| Somalia | Conflict, economic crisis | ▼ |
| Swaziland | Low productivity, HIV/AIDS pandemic | ▲ |
| Zimbabwe | Deepening economic crisis, adverse weather | ▼ |
| **Widespread lack of access** | | |
| Eritrea | IDPs, economic constraints | ■ |
| Liberia | War related damage | ■ |
| Mauritania | Several years of drought | ▼ |
| Sierra Leone | War related damage | ■ |
| **Severe localized food insecurity** | | |
| Burundi | Civil strife, IDPs and returnees | ■ |
| Central African Republic | Refugees, insecurity in parts | ■ |
| Chad | Refugees, conflict | ■ |
| Congo, Dem. Rep. | Civil strife, returnees | ■ |
| Congo, Rep. of | IDPs | ■ |
| Côte d'Ivoire | Conflict related damage | ■ |
| Ethiopia | Insecurity in parts, localized crop failure | ▼ |
| Ghana | After-effects of drought and floods | ▲ |
| Guinea | Refugees, conflict | ■ |
| Guinea-Bissau | Localized insecurity | ▼ |
| Kenya | Civil strife, adverse weather, pests | ▼ |
| Sudan | Civil strife (Darfur), insecurity (southern Sudan), localized crop failure | ▼ |
| Uganda | Localized crop failure | ▼ |
| ASIA (12 countries) | | |
| **Exceptional shortfall in aggregate food production/supplies** | | |
| Iraq | Conflict and insufficient rainfall | ▼ |
| **Widespread lack of access** | | |
| Afghanistan | Conflict and insecurity, inadequate rainfall | ■ |
| Korea, DPR | Economic constraints and effects of past floods | ■ |
| Myanmar | Cyclone | ■ |
| **Severe localized food insecurity** | | |
| Bangladesh | Floods and cyclone | ▲ |
| China | Earthquake in southwestern China | ▲ |
| Iran, Islamic Rep. of | Past drought | ■ |
| Nepal | Poor market access and drought/floods | ■ |
| Philippines | Typhoons | ■ |
| Sri Lanka | Conflict | ■ |
| Tajikistan | Winter crop damage, poor market access, locusts | ▼ |
| Timor-Leste | IDPs, high food prices | ■ |
| LATIN AMERICA (3 countries) | | |
| **Severe localized food insecurity** | | |
| Bolivia | Past floods | ▲ |
| Cuba | Hurricane | |
| Haiti | Hurricane | |

# Countries with unfavourable prospects for current crops[2]

| Country | Main reason | Changes from last report (July 2008) |
| --- | --- | --- |
| **AFRICA** | | |
| Ethiopia | Insufficient rainfall in parts | ▼ |
| Kenya | Insufficient rainfall, crop diseases | ▼ |
| Somalia | Adverse weather, conflicts | ▼ |
| **ASIA** | | |
| Afghanistan | Adverse weather, limited supplies and high food prices | ▼ |
| Iraq | Generalized insufficient rainfall | ▼ |
| Jordan | Insufficient rainfall | ▼ |
| Syrian Arab Rep. | Insufficient rainfall | ▼ |
| Tajikistan | Adverse weather | ▼ |
| Turkmenistan | Adverse weather | ▼ |
| **LATIN AMERICA** | | |
| Argentina | Insufficient rainfall | ▼ |
| Haiti | Adverse weather | ▼ |

No change ■ Improving ▲ Deteriorating ▼

## 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.

# Food emergencies update

In **Western Africa** and **Central Africa**, high and rising food prices continue to affect consumers' purchasing power and access to food across the subregion in spite of the various measures taken by governments. Prices of imported rice have shown the highest increases. In **Senegal**, where rice is a major food staple, the price in Dakar in July 2008 was more than double its level a year earlier. The situation is not better for domestically produced millet, the major staple in countries like **Niger**, **Mali** and **Burkina Faso**, as prices in August in Niamey, Bamako and Ouagadougou were about 39 percent, 28 percent and 46 percent respectively above their levels a year ago. Latest data show, however, that coarse grain prices started declining in September in some countries, reflecting the arrival of new supplies from the 2008 harvests in the markets. In **Ghana** (Accra) for instance, the maize price declined by 20 percent in September compared to August. A slight price decrease was also reported in several areas in **Niger**. Improved food supply is expected to lower prices further after widespread harvesting begins in October across the subregion.

In **Eastern Africa**, food security continues to worsen as a result of crop failures, high food prices, conflicts and inadequate availability of food. Food needs continue to rise while the aid pipeline faces shortages. In **Somalia**, the evolving humanitarian disaster is one of the worst in world. The scale, magnitude and speed at which the crisis is deteriorating are alarming and deep. The number of people requiring emergency livelihood and humanitarian support increased, in recent months, from 1.83 million to 3.25 million, some 43 percent of the entire population. The extreme food insecurity is being exacerbated by reduced humanitarian access, which has held back response action. In the southern and central regions armed groups attack aid workers. In these areas most coping mechanisms to react to the crisis have already been exploited. In **Ethiopia**, more than 10 million people have been affected by the drought that has hit large areas of southern, central, western and north-eastern parts. The WFP has launched an appeal for USD 460 million to feed 9.6 million people affected by drought, rising prices and conflict. Large numbers of livestock have died and unusual migrations in search of water and pastures are reported. A recent report from the Central Statistical Agency (CSA) indicates that the food inflation rate in August was 46.9 percent, an increase of 28.3 percent compared to August 2007. In **Djibouti**, some 340 000 people, nearly half of the total population are reported to be currently in need of assistance. Limited food availability and access have resulted in mass migration of households to urban areas, leading to increased levels of child malnutrition and livestock mortality. In response to the emergency, the WFP started the distribution of food rations to 55 000 people in rural pastoral areas. In **Eritrea**, a large number of vulnerable people continue to be affected by high food prices and the high rate of inflation. Disease outbreaks including cholera and malaria remain a concern. In **Kenya**, the food supply prospects for more than five million people in urban slums and rural areas will deteriorate further in the coming months if external support is not granted. The worst affected are those living in the pastoral areas of the Northern and Rift valley regions. The current food insecurity is mainly due to the sharp increases in food prices and escalating conflicts over water and pasture in drought-affected areas in the north. In **Sudan**, households in the eastern parts of the south remain highly food insecure due to food shortages as a result of crop losses, isolation from markets, and insecurity. In the north, displacements and loss of livelihoods are expected to continue in the western region of Darfur. Overall, the WFP has estimated at 5.9 million the people affected by the continuing conflict in Darfur and the post-conflict settlement problems in other areas of the country. The requirements of these most adversely affected people have been estimated at 677 990 tonnes of food. In **Uganda**, more than 700 000 people in the district of Karamoja are food insecure and in need of emergency food aid as a result of prolonged insecurity, falling livestock prices, flood damage in 2007 and the high cost of agricultural inputs.

In **Southern Africa** due to the reduced cereal harvests in many importing countries and high food and fuel prices in the local and the international markets, vulnerable populations in the subregion, particularly **Zimbabwe**, **Lesotho** and **Swaziland**, are expected to face food insecurity during the 2008/09 marketing year. According to the SADC International Conference on Poverty and Development (2008) report, about 45 percent of the population in the region live on one US dollar a day. National Vulnerability Assessment Committees (VACs) in several countries undertook vulnerability assessments in addition to the joint FAO/WFP joint CFSAMs in Zimbabwe and Swaziland. The total number of food insecure in the subregion for the 2008/09 marketing year is placed at some 8.7 million with the bulk (about 5.1 million) in **Zimbabwe**. This represents an increase of about 32 percent over last year. FAO estimates that the food insecure populations throughout the subregion will require a total of 558 000 tonnes of food assistance over and above the expected commercial imports to meet the normal consumption needs in 2008/09.

In the **Great Lakes** region, in spite of the recent peace agreements, renewed security problems in the north-eastern parts of the **Democratic Republic of the Congo** continue to affect vulnerable people who require food and other assistance. High food prices continue to affect adversely large number of subsistence livelihood households in **Burundi** and food and agricultural aid is needed, especially for resettling returnees and IDPs.

In **Far East Asia**, in spite of an overall good supply situation, serious food insecurity continues to be reported in several countries, notably in **Myanmar** due to the effects of cyclone Nargis, sweeping through the Ayeyarwady (Irrawaddy) delta region and the country's main city and former capital on 2 and 3 May 2008. In **Bangladesh**, large-scale humanitarian relief operations are still ongoing to assist the 1.5 million people most affected by Cyclone Sidr, which hit up to 30 districts on 15 November 2007, and millions of people affected by rising food prices. In the **Democratic People's Republic of Korea**, the food supply outlook remains precarious. The WFP/FAO Rapid Food Security Assessment (RFSA) conducted in June 2008 confirmed a significant deterioration in food security in most parts of the country.

Localized food insecurity in **Nepal** continues. Tens of thousands of people in the Eastern region have been displaced due to a breach in the banks of the Koshi River which flooded the area in August, while 180 000 people have been reportedly displaced in the affected districts of the Far Western and Mid-Western regions since 19 September due to floods and landslides. The food security situation of a large number of people in **Sri Lanka** continues to be affected by the resurgence of civil conflict, which claimed 7 000 lives since the beginning of 2008, as well as rising high food prices. In **the Philippines**, the effect of Typhoon Fengshen on 18 June 2008 and high food prices continue to impact on the wellbeing of a large number of vulnerable people. The food supply situation in the **Islamic Republic of Iran** is of serious concern since the significant reduction in 2008 of wheat production as a result of drought conditions in the country as well as crop damage due to winter frost. In **China**, 1 million urban households and 3.5 million rural families in Sichuan province, affected by the severe earthquake in May, have moved into transitional houses. However, millions of people are expected to continue to need agricultural and food assistance in the coming months.

In the **Near East**, in **Iraq**, following continued improvement in the security situation and financial incentives offered by the Government, many refugees in Jordan and the Syrian Arab Republic are returning home. However, food security concerns are exacerbated this year following the drought, which drastically reduced the domestic wheat crop, meaning the country will have to rely more heavily on imports. Furthermore, the drought has also led to difficulties in the supply adequate safe drinking water. Outbreaks of cholera spread throughout central and southern areas in late August. In **Afghanistan**, insecurity and widespread lack of adequate access to food has being exacerbated by a drought-reduced harvest in 2008. The cereal import requirement for 2008/09 is estimated at 2.3 million tonnes, more than double the previous year's level. With the commercial import capacity estimated at 1.5 million tonnes, this leaves a requirement of 700 000 tonnes as food assistance. The Government and the United Nations are appealing for funds to cover the food assistance needs and also to facilitate preparation and planting for the next winter crop season, which starts in September-October.

In the **Asian CIS**, in **Tajikistan**, widespread poor access to food has been exacerbated by a drought-reduced cereal crop in 2008 for the second year in succession. Reflecting the poor harvest, the cereal import requirement is estimated to be a high 560 000 tonnes. The country is having difficulties mobilizing its supplies commercially and food aid will be necessary to bring relief to the poor.

In **Central America and the Caribbean**, exceptionally high rainfall has afflicted the subregion since mid-August. Three tropical storms and one hurricane caused major flooding and mudslides in **Cuba**, **Jamaica**, **Haiti** and the **Dominican Republic**, with damage to infrastructure and severe losses of cash and food crops, in particular bananas, plantains, cassava and paddy. Food vulnerability has increased dramatically in several Caribbean countries, where soils are widely saturated and local livelihoods and food supply may be further affected by additional precipitation in the next two months until the end of the hurricane season.

# Global cereal supply and demand brief

## Cereal supply outlook for 2008/09 improves

With the global cereal harvest in 2008 now set to turn out considerably larger than earlier forecast, a significant improvement in the global supply and demand balance for cereals in the 2008/09 season can be expected. Even allowing for a larger increase in utilization than was predicted in July, an 8 percent increase in world cereal stocks could now be possible. The bulk of the increase is expected in the wheat stocks of the major exporting countries, while a notable growth in rice stocks is also forecast for the second year in succession. While, at the global level, coarse grain reserves are seen to remain virtually unchanged from the previous year, as growth in utilization keeps pace with production gains, the inventories of the major exporters will drop back down to the relatively low 2006/07 level. Against this background of generally improved supply prospects, international cereal prices have weakened significantly since their record high levels earlier this year.

## PRODUCTION

### The 2008 global cereal harvest turns out better than earlier predicted

FAO's forecast for world **cereal** production in 2008 has been revised upward since the previous report in July, to 2 232 million tonnes (including rice in milled terms), 4.9 percent up from last year and a new record. The forecast has been increased mostly on account of better than expected harvest results for grains throughout Europe, for maize in particular in the United States and also for coarse grains and rice in Far East Asia.

Regarding **wheat**, global output in **2008** is now forecast at 677 million tonnes, a very substantial (11 percent) increase from the previous year and well above the average of the past five years. Of the wheat crops already harvested, the largest revisions compared to earlier expectations have been in Europe, where latest estimates now point to a significant (25 percent) increase in production following generally above average yields and a much better than expected recovery in several countries, especially in eastern parts, from drought-reduced crops in 2007. In North America, where output was already seen at a good level, upward revisions have also been made to the latest estimate of this year's output in the United States, and to the forecast for Canada, where the harvest has yet to be completed. Favourable weather has resulted in better average yields than earlier predicted. By contrast, the latest estimate of the aggregate 2008 wheat output in Asia has been reduced slightly, although it remains at a good level. The most significant downward revisions were for Turkey and the Islamic Republic of Iran in the Near East subregion where persisting dry weather reduced yields. Elsewhere in the northern hemisphere, aggregate output in North Africa recovered significantly from last year's drought-reduced level following production

**Table 1.** World cereal production[1] (*million tonnes*)

| | 2006 | 2007 estimate | 2008 forecast | Change: 2008 over 2007 (%) |
|---|---|---|---|---|
| **Asia** | **912.6** | **950.5** | **945.4** | **-0.5** |
| Far East | 809.8 | 847.6 | 859.9 | 1.5 |
| Near East in Asia | 72.9 | 69.2 | 55.7 | -19.4 |
| CIS in Asia | 29.7 | 33.6 | 29.7 | -11.7 |
| **Africa** | **142.7** | **133.5** | **144.4** | **8.2** |
| North Africa | 36.0 | 29.1 | 32.1 | 10.3 |
| Western Africa | 49.5 | 47.4 | 50.7 | 7.0 |
| Central Africa | 3.2 | 3.3 | 3.3 | 1.5 |
| Eastern Africa | 32.5 | 31.6 | 31.3 | -1.2 |
| Southern Africa | 21.5 | 22.1 | 27.0 | 22.3 |
| **Central America & Caribbean** | **37.2** | **39.9** | **40.6** | **1.9** |
| **South America** | **110.8** | **130.9** | **135.9** | **3.8** |
| **North America** | **384.5** | **462.1** | **452.5** | **-2.1** |
| **Europe** | **404.7** | **388.7** | **478.6** | **23.1** |
| EU[2] | 246.8 | 259.7 | 308.3 | 18.7 |
| CIS in Europe | 118.6 | 115.4 | 152.5 | 32.2 |
| **Oceania** | **20.0** | **22.8** | **36.3** | **59.1** |
| **World** | **2 011.1** | **2 127.1** | **2 232.4** | **4.9** |
| Developing countries | **1 155.2** | **1 202.3** | **1 212.7** | **0.9** |
| Developed countries | **855.9** | **924.8** | **1 019.7** | **10.3** |
| - wheat | 597.0 | 609.4 | 677.2 | 11.1 |
| - coarse grains | 985.4 | 1 078.2 | 1 106.4 | 2.6 |
| - rice (milled) | 428.7 | 439.6 | 448.8 | 2.1 |

[1]Includes rice in milled terms.
[2]EU-25 in 2006; EU-27 in 2007, 2008.
*Note*: Totals computed from unrounded data.

recoveries in the main producing countries. In the southern hemisphere, the bulk of the major 2008 wheat crops are yet to be harvested between now and the end of the year. In South America, unfavourable weather conditions continue to plague some major producing areas of Argentina after plantings were already reduced by drought. As a result, the country's wheat crop is now forecast at some 25 percent below last year's good level. By contrast the outlook remains favourable in Brazil. In Oceania, prospects for the wheat crop in Australia have deteriorated somewhat over the past two months because of dry weather in some parts. Nevertheless, this year's output is still set to recover sharply from last year's drought-reduced level.

In many parts of the northern hemisphere the **winter wheat crops for harvest in 2009** are already being planted. Although planting conditions are generally favourable, early indications point to reduced wheat areas in both Europe and the United States, reflecting reduced price expectations compared to the outlook last year at this time, combined with the increasing cost of inputs.

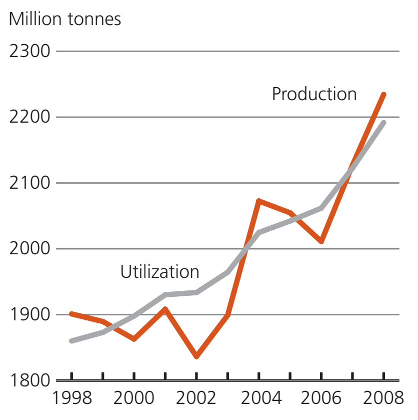
FAO's latest forecast for world production of **coarse grains** in 2008 has been revised upward by almost 30 million tonnes since July and now stands at a new record level of 1 106 million tonnes, 2.6 percent above the previous record set last year. The increase over the past two months is mostly attributed to improved yield prospects for the maize crop in the United States as generally favourable weather lasted throughout the season, as well as better results from the coarse grain harvests throughout Europe. Record high crops have already been gathered in South America, where planting areas increased again for this year's crop and ideal weather conditions favoured above-average yields. In southern Africa, where the 2008 coarse grains crops have also been already gathered, the subregion's aggregate output has also reached a new record level. However, the high production

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

| | 2006/07 | 2007/08 | 2008/09 | Change: 2008/09 over 2007/08 (%) |
|---|---|---|---|---|
| **PRODUCTION[1]** | **2 011.1** | **2 127.1** | **2 232.4** | **4.9** |
| Wheat | 597.0 | 609.4 | 677.1 | 11.1 |
| Coarse grains | 985.4 | 1 078.2 | 1 106.5 | 2.6 |
| Rice (milled) | 428.7 | 439.6 | 448.8 | 2.1 |
| **SUPPLY[2]** | **2 481.1** | **2 553.7** | **2 664.5** | **4.3** |
| Wheat | 776.6 | 769.5 | 832.0 | 8.1 |
| Coarse grains | 1 170.8 | 1 240.0 | 1 274.6 | 2.8 |
| Rice | 533.7 | 544.2 | 558.0 | 2.5 |
| **UTILIZATION** | **2 061.8** | **2 122.5** | **2 191.7** | **3.3** |
| Wheat | 619.2 | 614.9 | 644.9 | 4.9 |
| Coarse grains | 1 015.5 | 1 070.8 | 1 103.0 | 3.0 |
| Rice | 427.1 | 436.8 | 443.8 | 1.6 |
| Per caput cereal food use *(kg per year)* | *152.8* | *153.4* | *153.7* | *0.2* |
| **TRADE[3]** | **256.9** | **274.3** | **262.9** | **-4.2** |
| Wheat | 113.2 | 111.2 | 118.0 | 6.1 |
| Coarse grains | 111.4 | 132.4 | 114.0 | -13.9 |
| Rice | 32.3 | 30.7 | 30.9 | 0.7 |
| **END OF SEASON STOCKS[4]** | **426.6** | **432.1** | **466.8** | **8.0** |
| Wheat | 160.1 | 154.9 | 183.5 | 18.4 |
| - main exporters[5] | 36.6 | 26.9 | 42.7 | 58.6 |
| Coarse grains | 161.8 | 168.0 | 168.9 | 0.5 |
| - main exporters[5] | 62.3 | 71.2 | 61.5 | -13.6 |
| Rice | 104.6 | 109.2 | 114.4 | 4.8 |
| - main exporters[5] | 23.1 | 25.8 | 28.7 | 11.1 |
| Low-Income Food-Deficit Countries (LIFDCs)[6] | | | | |
| **Cereal production[1]** | **887.6** | **914.9** | **930.3** | **1.7** |
| *excl. China Mainland and India* | 306.8 | 303.0 | 309.2 | 2.0 |
| **Utilization** | **935.4** | **959.9** | **977.2** | **1.8** |
| Food use | 651.4 | 664.8 | 675.4 | 1.6 |
| *excl. China Mainland and India* | 277.5 | 283.7 | 289.9 | 2.2 |
| Per caput cereal food use *(kg per year)* | 156.8 | 157.8 | 158.0 | 0.2 |
| *excl. China Mainland and India* | 160.5 | 160.9 | 161.4 | 0.3 |
| Feed | 166.5 | 171.4 | 175.4 | 2.3 |
| *excl. China Mainland and India* | 48.5 | 49.1 | 49.8 | 1.5 |
| **End of season stocks[4]** | **238.5** | **255.8** | **273.8** | **7.1** |
| *excl. China Mainland and India* | 58.4 | 53.9 | 52.8 | -2.1 |

[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] The main wheat and coarse grain exporters are Argentina, Australia, Canada, the EU and the United States. The main rice exporters are India, Pakistan, Thailand, the United States and Viet Nam.
[6] Includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e.USD 1 675 in 2005).

**Fig. 1.** World cereal production and utilization




level is largely attributed to a large crop in the main producing country South Africa, as aggregate output of the other countries in the subregion has fallen. In the northern hemisphere, in North America, the maize harvest is slow to get underway this year in the United States following cool and wet conditions which have hampered crop maturation. However, this weather has been favourable for yields and output is now expected to be well up from earlier expectations, although still a bit below last year's exceptionally high level. In Central America, reflecting large plantings, good weather and increased use of improved imports, the coarse grain output is expected to reach a new record level in 2008. In Europe, as predicted, with much of the crop already harvested, the coarse grains output is turning out well up from last year's drought-reduced level. In Asia, this year's coarse grains crop is forecast to remain virtually unchanged from last year's good level. Production in China, by far the biggest producer in the region, is estimated well above the average of the past five years.

As the 2008 **rice** season advances, prospects for crops have further improved from the previous outlook. Global paddy output is now forecast at a record 672 million tonnes (449 million tonnes in milled terms), which is about 2 percent above the already excellent results achieved in 2007. The increase reflects favourable weather conditions, as well as attractive market prices and government incentives, which are anticipated to boost planted areas and yields.

Asian countries are likely to account for much of the global expansion, as 609 million tonnes are set to be harvested in the region, 10 million tonnes more than last year. Large increases are anticipated in all the leading producing countries, especially Bangladesh, Mainland China, India, Indonesia and Viet Nam, but sizeable increases are also expected in Cambodia, Pakistan, the Philippines, Sri Lanka and Thailand. By contrast, Japan is running programmes to cut excess supply and may therefore face a decline. Smaller crops are also expected to be gathered in Afghanistan, Iraq, the Islamic Republic of Iran and Turkey, reflecting extensive and lingering drought problems, while the destruction and disruption of agricultural activities caused by the landfall of cyclone Nargis last May are foreseen to cut production in Myanmar by more than 2 million tonnes. With favourable growing conditions prevailing so far in Africa, production in the region is forecast to expand by 7 percent to a new record of 24.5 million tonnes, driven largely by gains in Egypt, Madagascar, Mali and Nigeria. However, increases are expected to be widespread across the region, a sign that producers do respond positively to attractive market conditions and government incentives. In addition, various endeavours to sustain rice production in the region have been launched at the national and international levels, including an Emergency Rice Initiative for Africa, in June 2008. Production in Latin America and the Caribbean is also forecast to increase, by a remarkable level of 7 percent, much of which concentrated in Argentina, Brazil, Colombia, Peru and Uruguay, a reflection of favourable growing conditions and high prices. By contrast, the various hurricanes that have battered Central America and the Caribbean in August and September may depress output in Cuba and Haiti. Although hurricanes also hit some rice growing areas in the United States, the official outlook still points to a 4 percent gain this season. In the rest of the world, a decline is foreseen in Australia and the European Union.

# PRICES

## International cereal prices on the decline

International **wheat** prices have fallen considerably in the past two months, continuing the decline which started after their peak in March this year, when prospects of record world production in 2008 and large exportable supplies began to put pressure on markets. Subsequently, seasonal harvest pressure in the northern hemisphere countries, falling crude oil prices and financial turmoil in world economies have also contributed to the further decline in wheat prices. The US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 308 in September, and fell to USD 264 in the first week of October, about 45 percent below its peak in March, and 25 percent down from the October average last year.

International **maize** prices fell further in the past two months, continuing the decline that started in June when favourable global crop prospects started to point to another good crop in 2008 as well as a likely abundance of feed wheat in world markets. After stabilizing somewhat in early September, towards the end of the month, a sharp drop in crude oil prices, global financial turmoil and the latest upward revision to estimates for this season's ending stocks in the United States (mainly because of lower feed use and reductions in domestic ethanol production) brought renewed downward pressure to prices. The US maize (No. 2 Yellow, Gulf) averaged USD 229 per tonne during September, and fell to USD 184 in the first week of October, 35 percent below their peak in June, but still 13 percent above the October average last year.

Expectations of record 2008 **paddy** crops in the northern hemisphere, are keeping downward pressure on rice export prices. The price of the benchmark Thai white rice 100% B averaged USD 764 per tonne in September, about 3 percent down from August, and fell to USD 734 in the first week of October. The drop in Thai prices over the past few months would likely have been more pronounced had it not been for the country's official procurement programme launched on 15 June 2008, which has contained the magnitude of the drop to 12 percent between June 2008 (when prices were at their peaks) and September 2008. Indeed, in other export markets the slide has been much more pronounced, with quotations for similar qualities over the same period down 35 percent in Viet Nam and Pakistan and 16 percent in the United States. However, prices are still well above their values of September 2007 (+130 percent in Thailand, +92 percent in the United States, +74 percent in Viet Nam and +53 percent in Pakistan).

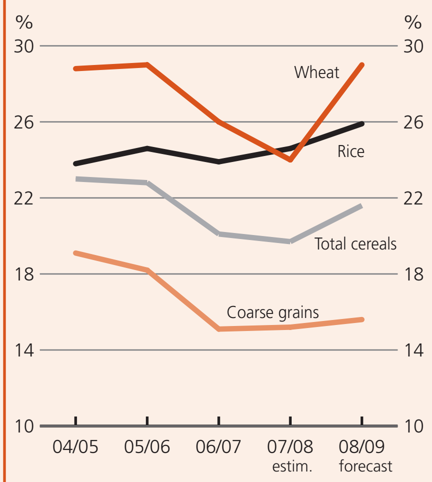
**Table 3.** Cereal export prices* *(USD/tonne)*

| | 2007 | 2008 | | | | |
|---|---|---|---|---|---|---|
| | October | June | July | August | Sept. | October |
| **United States** | | | | | | |
| Wheat [1] | 352 | 358 | 341 | 343 | 308 | 264 |
| Maize [2] | 163 | 281 | 267 | 232 | 229 | 184 |
| Sorghum [2] | 172 | 268 | 232 | 209 | 208 | 160 |
| **Argentina [3]** | | | | | | |
| Wheat | 321 | 363 | 329 | 307 | 283 | - |
| Maize | 163 | 258 | 252 | 217 | 203 | 172 |
| **Thailand [4]** | | | | | | |
| Rice white [5] | 338 | 870 | 835 | 787 | 764 | 734 |
| Rice, broken [6] | 297 | 645 | 583 | 525 | 487 | 423 |

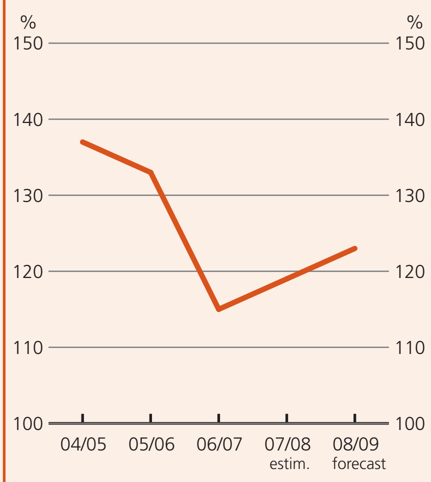
*Prices refer to the monthly average. For October 2008, one week average.
[1] No.2 Hard Red Winter (Ordinary Protein) f.o.b. Gulf.
[2] No.2 Yellow, Gulf
[3] Up river, f.o.b.
[4] Indicative traded prices.
[5] 100% second grade, f.o.b. Bangkok.
[6] A1 super, f.o.b. Bangkok.

# FAO's global cereal supply and demand indicators

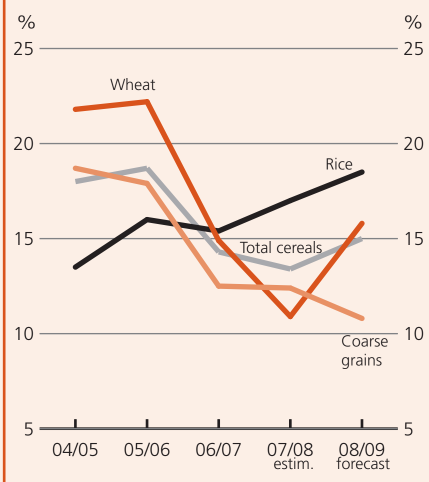
## 1. Ratio of world cereal stocks to utilization




## 2. Ratio of major grain exporters supplies to normal market requirements




## 3. Ratio of major exports stocks to their total disappearance




■ As evidence of some improvement in the new season (2008/09), from the particularly tight market situation in 2007/08, the ratio of world cereal ending stocks in 2008/09 to the trend world cereal utilization in the following season is expected to increase slightly to 21.6 percent. Among the major cereals, the ratio for wheat is expected to increase the most, rebounding by 5 percent, to 29 percent. The expected increase in world wheat production in 2008 is forecast to result in a substantial replenishment of stocks and improvements in supply. For rice, the ratio is also expected to increase, to reach 25.9 percent, the highest level of the past few years. Market conditions for coarse grains (maize in particular) are expected to remain the tightest. With the anticipated total utilization remaining close to world production, the stock-to-use ratio for coarse grains is forecast to increase only fractionally, to 15.6 percent, remaining close to the low level of the past two years.

■ Given the outlook for a relatively strong recovery in grain production in 2008 in those major exporting countries, which suffered production cutbacks in 2007, the ratio of their aggregate grain supplies compared to normal market requirements in 2008/09 is estimated to increase somewhat from the relatively low levels of the preceding two years to reach 123 percent.

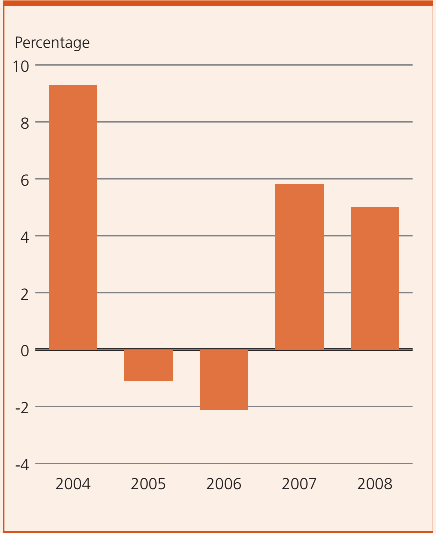
■ The ratio of the major exporters' ending cereal stocks to their total disappearance in 2008/09 is forecast to increase slightly from last season's 30-year low, to reach 15 percent. For wheat, the ratio is expected to recover sharply to 15.8 percent, reflecting substantial production increases in all the major wheat exporting countries with the exception of Argentina. The ratio for rice is now also expected to increase slightly, to 18.5 percent. However, for coarse grains, the ratio is expected to decrease further from the previous year's already low level to 10.8 percent. The anticipated drop in 2008 maize production in the United States against a rising use of maize for biofuels is the main factor behind this drop in the ratio.

1 The first indicator is the ratio of world cereal ending stocks in any given season to world cereal utilization in the following season. Utilization in 2009/10 is a trend value based on extrapolation from the 1998/99-2007/08 period.

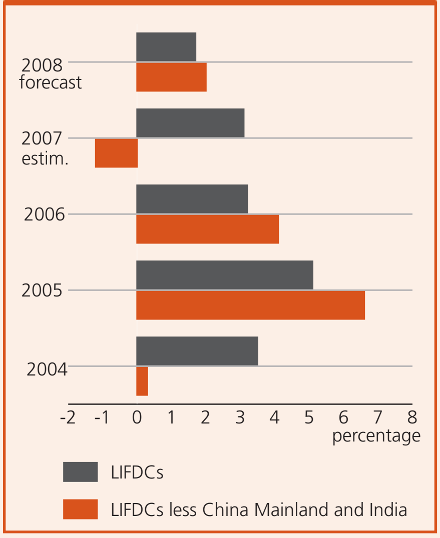
2 The second indicator is the ratio of the exporters' grain (wheat and coarse grains) supplies (i.e. a sum of production, opening stocks, and imports) to their normal market requirements (defined as domestic utilization plus exports of the three preceding years). The major grain exporters are Argentina, Australia, Canada, the EU and the United States.

3 The third indicator is the ratio of the major exporters' ending stocks, by cereal type, to their total disappearance (i.e. domestic consumption plus exports). The major wheat and coarse grain exporters are Argentina, Australia, Canada, the EU and the United States. The major rice exporters are India, Pakistan, Thailand, the United States, and Vietnam.

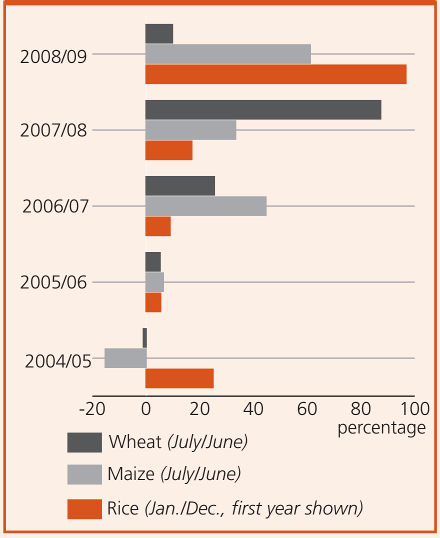
## 4. Year-to-year change in world cereal production




## 5 & 6. Year-to-year change in cereal production in the LIFDCs




## 7. Year-to year change in selected cereal price indices




■ World cereal production is estimated to be up 4.9 percent in 2008, which would represent another relatively strong increase for the second year in succession, and is a welcome development in the face of the particularly tight global supply/demand situation at the outset of the season. However, with the coarse grain harvests still not complete in some major producing countries, those for wheat still to begin in some southern hemisphere countries, and the main rice seasons at an early stage in Asia, this forecast remains subject to revision should weather conditions deviate significantly from the norm for any of these 2008 crop seasons still to be completed in the coming months.

■ While cereal production of the LIFDCs is forecast to increase further in 2008, the rate of growth, at just 1.7 percent, would represent a decline for the third consecutive year. However, contrary to 2007, excluding China (Mainland) and India, which account for some two-thirds of the group's aggregate cereal output, production in the rest of LIFDCs is estimated to increase this year by 2.0 percent, this improvement is a positive feature after last year's decline. However, the limited growth in these countries' production this year, after the decline in the previous season, means they will continue to rely heavily on imports to cover their consumption needs in 2008/09, at a time when international cereal prices remain at relatively high levels.

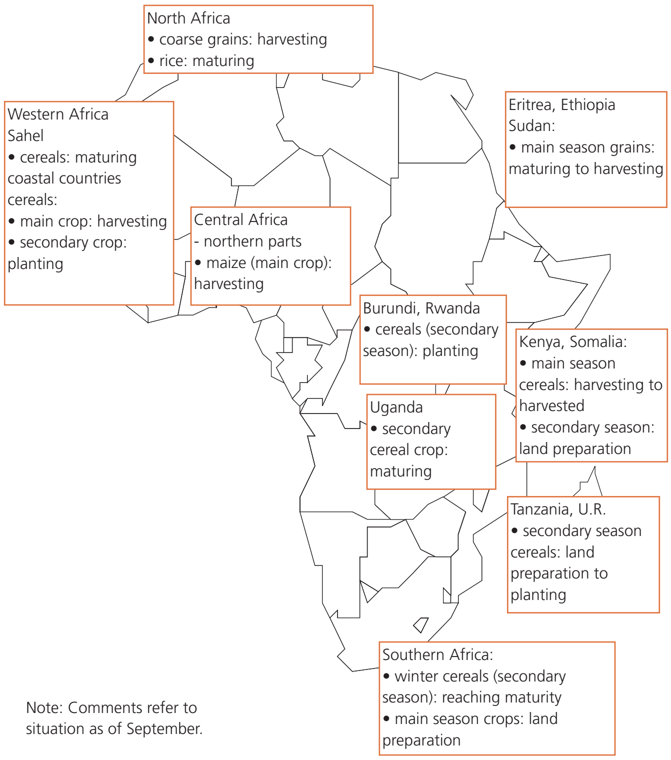
■ With cereal production forecast to exceed the expected utilization in 2008/09, for the first time since in 4 years, and stocks likely to increase, prices of most cereals have started to come down in 2008. With some wheat prices already dropping below their level of a year ago, the rate of growth in the wheat price index in the new season so far (July to September 2008) is sharply lower than that of 2007/08. The maize index increased by 35 percent in 2007/08 marketing season (July/June) and with maize prices in the first months of the 2008/09 season well above the previous year's levels, the index for the current marketing season so far stands at 60 percent. Given the huge increase in rice prices from January to March 2008, even with the considerable decline since then, the rice index in the 2008 marketing season so far (January-September) is estimated to be up by almost 100 percent compared to the previous year.

4 The fourth indicator shows the aggregate cereal production variation from one year to the next at the global level.

5&6 In view of the fact that the Low-Income Food-Deficit Countries (LIFDCs) are most vulnerable to changes in their own production and therefore supplies, the FAO's fifth indicator measures the variation in production of the LIFDCs. The sixth indicator shows the annual production change in the LIFDCs excluding China Mainland and India, the two largest producers in the group.

7 The seventh indicator demonstrates cereal price developments in world markets based on changes observed in selected local price indices.

# Regional reviews




## Africa

### North Africa

North African countries have been seriously affected by high international cereal prices due to their high dependence on imports. Governments have implemented a series of measures aimed at offsetting the sharp increase in world prices, including the waiving of tariffs, price controls and subsidies, which have put a considerable strain on public finances. In **Algeria** for example the bread subsidy system is estimated to cost the Government about USD 50 million each month, while in **Egypt** total expenditure on subsidies (including food and energy subsidies) in fiscal year 2006/07 (July-June) was estimated to be 56 percent higher than in 2006/07. In spite of these measures high inflation continues to undermine purchasing power and limit access to food across the subregion. In **Egypt**, the most affected country, the year-on-year rate of inflation in urban areas reached 23.6 percent in August 2008 up from 6.9 percent in December 2007, driven mainly by price increases in the food sector where the year-on-year rate of inflation jumped from 8.6 percent in December 2007 to 30.9 percent percent in August 2008. The inflation rate for the country as a whole is much higher, estimated at 25.6 percent. Similarly, in **Morocco** and **Tunisia**, inflation remains relatively high although a slight decrease was observed in August. This year's increased wheat production in the subregion, notably in Morocco and Egypt, is expected to ease the effects of rising international commodity prices on access to food in these countries.

Harvesting of the winter grains (mainly wheat and barley), which make up the bulk of the subregion's cereal crop, has been completed. FAO's latest estimates put the subregion's aggregate output of wheat (the main crop) at 15.6 million tonnes, 16 percent up from the previous year's drought-reduced level, while that of barley is put at some 3.16 million tonnes, about 8 percent up from 2007. In **Egypt,** the largest producer of the subregion, 2008 wheat output is about 9 percent up from last year's average crop. In **Algeria**, the wheat crop is also estimated above average by about 7 percent. In **Morocco,** cereal production recovered significantly from last year's drought-reduced crop, although output remained below average. By contrast, in **Tunisia** in spite of Government incentives to farmers to increase production, wheat output declined about half, mainly as a consequence of insufficient soil moisture at planting and subsequent erratic rains in the main growing areas.

### Western Africa

High and rising food prices continue to affect consumers' purchasing power and access to food across the subregion in spite of the various measures taken by governments. Prices of imported rice have shown the highest increases. In **Senegal**, where rice is one of the major staple foods, the price in Dakar in July 2008 was more than double its level a year earlier. The situation is not better for domestically produced millet, the major staple in countries like **Niger**, **Mali** and **Burkina Faso**, as prices in August in Niamey, Bamako and Ouagadougou were about 39, 28 and 46 respectively above their levels a year ago**.** Cereal prices usually increase during the lean season when availability is limited and demand high, but they are also influenced this year by the exceptionally high levels of international commodity prices. Latest data show, however, that coarse grain prices have started declining in September in some countries, reflecting the arrival of new crop supplies from this year's harvests in the markets. In Accra (**Ghana**) for instance, the price of maize declined by 20 percent in September compared to August. Slight price decreases were also reported in several areas in **Niger**. Improved food supply is expected to lower prices further after widespread harvesting begins in October across the subregion.

In addition to measures taken by governments to support immediate food availability and access of the vulnerable to emergency food assistance, productivity enhancing safety nets have been provided in several countries, in most cases in the framework of large agricultural development initiatives.

**Fig. 2.** Imported rice prices in selected Western African markets

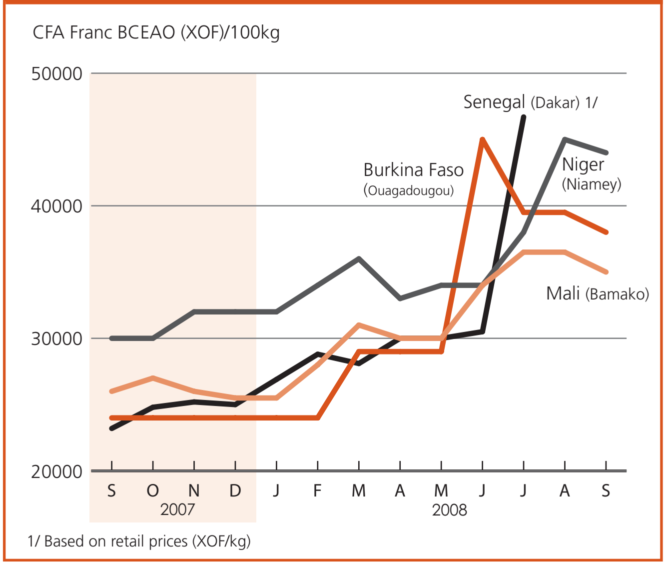
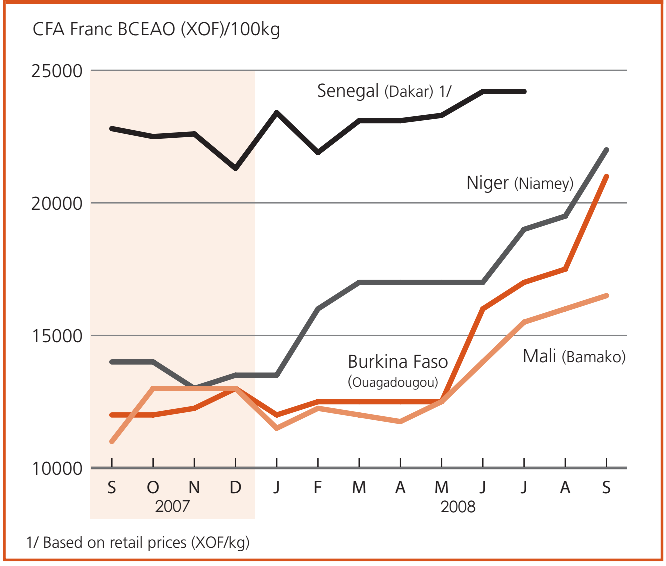



**Fig. 3.** Locally produced millet prices (wholesale) in selected Western African markets




For instance, the target of **Senegal**'s Great Offensive for Food and Abundance (GOANA) is to more than double rice production to 500 000 tonnes this year. About 34 000 tonnes of subsidised fertilizer have been distributed as of late August according to the Ministry of Agriculture. Similarly, nearly 117 000 tonnes of fertilizer have been sold at subsidized prices in the framework of the Government of **Mali**'s "rice initiative" whose aim is to increase the country's rice production by 50 percent in 2008/09. Several other Governments have launched similar programmes in recent months, which included inputs distribution to farmers. Although there are very few yield and area data available now to assess the impact of these programmes, early forecasts point to substantial increases in areas planted to food crops. According to the results of the mid-term assessment carried out by the Government of Mali in August, the area planted with rice increased by over 53 percent compared to last year. The coarse grains area is also estimated to have increased significantly. Similar trends are anticipated in other countries. Moreover, since the beginning of the growing season rains and soil moisture have been generally adequate to allow satisfactory development of crops. Indeed, rains were so abundant in some cases that localized flooding was reported in August in several countries. In particular, precipitation has been sufficient and well distributed in **Nigeria**, the largest producer of the subregion.

In short, overall early crop prospects are favourable in Western Africa and the current tight food situation is expected to ease somewhat from October onwards, provided favourable weather conditions continue through October.

## Central Africa

In **Cameroon** and the **Central African Republic**, harvesting of the first maize crop is nearly complete in southern parts, while the later maturing cereal crops are generally developing satisfactorily in northern areas. Rains and soil moisture have been generally adequate since the beginning of the cropping season, allowing satisfactory development of crops. Larger domestic crops in 2008 would ease the impact of rising international commodity prices. In the Central African Republic, however, agricultural recovery continues to be hampered by persistent civil unrest and inadequate availability of agricultural inputs, notably in northern parts where nearly 300 000 people have reportedly been uprooted from their homes over the past two years. Continuing insecurity in both Chad and the Darfur region of Sudan threaten to further destabilize the situation in northern parts of the country.

## Eastern Africa

### The outlook for the 2008 crops remains unfavourable in several countries.

The harvesting of the 2008 main season cereal crops has been concluded in Somalia and Uganda, while it is well underway in Kenya and Tanzania. In Ethiopia the harvest of the secondary "belg" crop has been recently completed. The harvest of the main 2008 cereal crops in Sudan, Ethiopia and Eritrea, sown earlier in the year, will start in few weeks' time.

Successive seasons of poor rainfall in parts of Kenya and Ethiopia and inadequate rainfall from April to June 2008 in Somalia, has led to the failure of seasonal crop production, deterioration of pastures and low availability of drinking water. September rains in southern Somalia and western Kenya have eased conditions but more rainfall is needed for water supplies and pastures to recovery.

In **Eritrea,** the 2008 main "Kiremti" season cereal harvest will start soon. While poor rains in June had delayed the start of the season in both the traditional and mechanized sectors of Gash Barka, Debub and Maekel regions, about normal rains in July had a positive impact on the vegetation growth. However, satellite imagery indicates a vegetation index lower than average in North Red Sea region, reflecting below-average rains during the first months of the year. Thus, despite an increase in the area sown, the aggregate output of cereals, mainly sorghum and millet, is expected to be similar to last year's crop. Notwithstanding significant increases in the last few years, domestic cereal production is inadequate to cover the requirements and large quantities of cereals have to be imported.

In **Ethiopia**, The poor secondary season "belg" rains led to delayed plantings and partial failure of the crop that was recently harvested, particularly in lowlands of Oromiya, Somali and SNNP regions. Although this crop accounts for only a small portion of the total national cereal production, in Amhara and Tigray regions, where output is severely reduced, a large number of people depend on this crop for about half of their annual food consumption.

After a late start to the current main "meher" season rains, precipitation began to increase in July improving crops and pasture conditions. However, notwithstanding the continued rains in August and early September, deficits remain in localized areas in Tigray and Afar. To the south, in the northern areas of Oromiya and Somali regions, unusual early September rains have benefited pastures and drinking water supplies.

In **Kenya,** the long rains maize season in the grain basket started well in April but the rains were irregular up to mid-June, followed by a dry spell before they resumed in July. Those farmers who could afford the use of adequate fertilizer are expecting a good crop but, on average, maize output from the grain basket is expected to be lower than the previous season's as a result of erratic rainfall, reduced area, rising prices of fuel and agricultural inputs and the high cost of labour. In addition, in January, most farmers were displaced following the civil unrest and those not affected were able to cultivate only a portion of their farm due to the increased cost of agricultural inputs. The Ministry of Agriculture has estimated the long-rains maize production this year at 2.25 million tonnes, 11 percent lower than in the 2007/08 season. The output from the short-rains maize crop to be sown soon - should rains start on time and be adequate for the rest of the season – is forecast at an average level of 360 000 tonnes. In an effort to increase cereal production the Government has initiated a number of projects which include diversification of crops, intervention in the input supply with provision of seeds, tractors for hire and a credit facility for the farmers. In addition,

**Table 4.** Africa cereal production (*million tonnes*)

| | Wheat | | | Coarse grains | | | Rice (paddy) | | | Total cereals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast |
| **Africa** | **25.0** | **19.6** | **22.1** | **103.0** | **98.9** | **106.2** | **22.5** | **22.9** | **24.5** | **150.4** | **141.3** | **152.8** |
| **North Africa** | **18.7** | **13.4** | **15.6** | **12.6** | **10.9** | **11.4** | **6.8** | **6.9** | **7.4** | **38.1** | **31.2** | **34.4** |
| Egypt | 8.3 | 7.4 | 8.0 | 7.9 | 7.9 | 8.1 | 6.8 | 6.9 | 7.4 | 23.0 | 22.2 | 23.5 |
| Morocco | 6.3 | 1.6 | 3.7 | 2.9 | 0.9 | 1.5 | 0.0 | 0.0 | 0.0 | 9.2 | 2.5 | 5.2 |
| **Western Africa** | **0.1** | **0.1** | **0.1** | **43.2** | **41.2** | **44.1** | **9.8** | **9.8** | **10.4** | **53.2** | **51.0** | **54.6** |
| Nigeria | 0.1 | 0.1 | 0.1 | 24.8 | 23.3 | 24.8 | 4.0 | 3.9 | 4.0 | 28.9 | 27.2 | 28.8 |
| **Central Africa** | **0.0** | **0.0** | **0.0** | **2.9** | **3.0** | **3.0** | **0.4** | **0.4** | **0.4** | **3.4** | **3.4** | **3.5** |
| **Eastern Africa** | **3.7** | **3.8** | **4.0** | **27.8** | **26.6** | **26.1** | **1.6** | **1.8** | **1.9** | **33.1** | **32.3** | **31.9** |
| Ethiopia | 2.5 | 2.8 | 2.8 | 10.8 | 11.3 | 10.7 | 0.0 | 0.0 | 0.0 | 13.3 | 14.0 | 13.5 |
| Sudan | 0.7 | 0.6 | 0.8 | 5.9 | 4.7 | 4.8 | 0.0 | 0.0 | 0.0 | 6.6 | 5.3 | 5.6 |
| **Southern Africa** | **2.5** | **2.3** | **2.5** | **16.5** | **17.2** | **21.6** | **3.8** | **3.9** | **4.3** | **22.7** | **23.4** | **28.4** |
| Madagascar | 0.0 | 0.0 | 0.0 | 0.3 | 0.4 | 0.4 | 3.5 | 3.6 | 4.0 | 3.8 | 4.0 | 4.4 |
| South Africa | 2.1 | 1.9 | 2.2 | 7.3 | 7.8 | 13.0 | 0.0 | 0.0 | 0.0 | 9.4 | 9.7 | 15.2 |
| Zimbabwe | 0.2 | 0.1 | 0.1 | 1.7 | 1.0 | 0.8 | 0.0 | 0.0 | 0.0 | 1.9 | 1.2 | 0.9 |

*Note*: Totals computed from unrounded data.

the Government has recently announced to have set aside about USD 140 million to subsidize the imports of fertilizers, the cost of which increased considerably immediately after the post-election violence earlier in the year.

In **Somalia,** the main "gu" season cereal crop, recently harvested, has largely failed as a result of a late start and poor performance of the rains in most parts of the country. According to the Somalia Food Security Analysis Unit (FSAU), the 2008 Gu cereal production, estimated at 85 000 tonnes, is about 42 percent below the post-war (1995-2007) average and follows two below-average seasons (Gu 2007 and Deyr 2007/08).

The overall poor performance of the Gu rains has also contributed to a deepening drought and water crisis in pastoral areas. Light rains in early June led to a replenishment of water resources but arrived too late to benefit the crop. Subsequent heavy rains have caused some flooding in Mogadishu. Dry conditions have prevailed also in the central pastoral regions of Galagadud and Hiran as well as in several pastoral areas of the north.

In **Sudan**, prospects for the main sorghum and millet crops to be harvested towards the end of the year are uncertain due to delayed onset of the rains. After a below-normal rainfall in July, precipitation began to increase in August. These rains had mixed consequences: caused floods in parts of Kassala State in the east and in parts of Aweil, East Twic, and Nassir, but alleviate persistent dryness in Upper Nile and Jonglei states and improved pasture conditions in Kapoeta. The area planted for the current season is reported to be average and the availability of agricultural inputs is reported as normal to above normal. Rains during the remainder of the season will be critical for the final outcome of the crops.

In the **United Republic of Tanzania**, the harvesting of maize is complete in the southern lowlands, but continues in the bimodal and unimodal growing areas. Reflecting normal rains, the output is expected to be slightly higher than last year and some 18 percent more than the average of the past five years. The good harvest is expected to meet national food requirements, putting downward pressure on wholesale cereal prices, which are already reported to have declined.

In **Uganda**, harvesting of the main coarse grain crops is near completion. Normal rains in most of the country's growing areas point to a normal crop and livestock production. In contrast, severely reduced outputs, for the second consecutive year, are expected in the poor Karamoja region where many farmers have not planted their crops due to delayed and erratic March-September rains.

## Serious food security conditions emerge in the subregion

Food security in the subregion continues to worsen as a result of crop failures, trade disruptions, high food and non-food prices, conflicts, and inadequate availability of food, water and pasture. In several countries, needs continue to rise while food aid pipelines face shortages. As a result, a high level of food insecurity is reported in large areas of a number of countries.

In **Djibouti**, four consecutive poor rainy seasons, high staple food prices, soaring inflation and lack of adequate Government and donor resources, led to significant reductions in poor household food consumption in both rural and urban areas. Some 340 000 people, nearly half of the population, are reported to be currently in need of assistance. Limited food availability and access have resulted in mass migration of households to urban areas, rising level of child malnutrition and increased livestock mortality. In addition, urban and rural populations are facing severe water shortages which, in urban areas have resulted in water rationing. The most vulnerable and food-insecure people are in the north-west and south-east, where households depend heavily on livestock for food and income.

In response to the emergency, WFP started the distribution of food rations to 55 000 people in rural pastoral areas. Other interventions urgently needed to prevent a further deterioration in the food security conditions include: food distribution to cover all 155 000 rural residents in need; restocking and asset-building programmes; resources to increase the number of feeding distribution centres countrywide and, in urban areas, a voucher or cash-for-work programme and intensive water delivery by tanker.

In **Eritrea**, the current high food prices and inflation continue to affect a large number of vulnerable people while new and continuing regional tension could lead to further massive displacement and humanitarian needs. Disease outbreaks including cholera and malaria remain a concern. This condition will be further aggravated by the inadequate safe water sources and sanitation facilities and other endemic diseases, such as yellow fever and meningitis.

In **Ethiopia**, poor secondary season "belg" rains and a late start to the current main "meher" season rains have created a rather alarming food situation. More than 10 million people have been affected by the drought which, between January and May, has hit large sections of southern, central, western and north-eastern Ethiopia. The drought led to the failure of a harvest that has left 4.6 million people needing emergency food aid and 5.7 million in drought-affected areas requiring other handouts such as additional cash or food transfers. On 22 September 2008, WFP launched an appeal to the international donor communities for USD 460 million to feed 9.6 million people affected by drought, rising food prices and conflict. About one-fourth of the people in need live in the arid and troubled Somali regions in the east where has not rained for three years.

Large numbers of livestock have died and unusual migrations in search of water and pasture are reported in several parts of the country, particularly in the Somali region. By contrast, western Ethiopia has experienced abundant and well distributed rains since the season started in late March. WFP reports some improvement in the nutritional situation in parts of southern Oromiya and SNNPR due to a combination of food aid interventions and the start of green harvest of maize, potato and haricot beans. Livestock conditions have also reportedly improved in most areas. However, the supply situation remains critical in most areas. Gode, Zafder, Korahe, Warder and Liben zones in Somali region continue to report critical water and food shortages. Increased level of migration, reduced daily food intake, poor livestock conditions and subsequent mortalities are also reported. A recent report released by the Central Statistical Agency (CSA) indicates that the food inflation rate in August was 46.9 percent, an increase of 28.3 percent compared to the food inflation rate in August 2007, but lower than the previous three months of this year. By contrast, the country's overall level of inflation rate has been steadily increasing over the past six months to reach in August 33.6 percent – more than double the rate in August 2007- from 29.6 percent in July. In an effort to reduce the impact of the high food inflation rate on poor people, the Government decided to cancel the value-added and turnover taxes on food grains and flour - which constitute more than half of the country's consumption. The Government has also set up measures which include provision of direct and indirect subsidies, and has spent ETB 372 million (USD 38 million) to subsidize wheat and ETB 3.52 billion (USD 366 million) to subsidize fuel.

In **Kenya**, according to a recent national food security assessment prepared by the Kenya Food Security Steering Group (KFSSG), the food supply situation of more than 5 million people in urban slums and rural areas will deteriorate further in the coming six months if external support is not granted. In rural areas the people in need are estimated at 1.38 million and the slum-dwellers are between 3.5 to 4.1 million. The worst affected are the people living in the pastoral areas of the Northern and Rift Valley regions such as Turkana, Mandera, Samburu, Baringo, Marsabit, Wajir, Moyale and Garissa. Other areas affected include the agro-pastoral and marginal agricultural areas and Tana River in the eastern and coastal parts of the country.

According to the KFSSG report, the current food insecurity is mainly due to the poor performance of the long-rains season compounded by the spread of the Peste de Petits Ruminants (PPR) livestock disease, sharp increases in food and non-food prices, and escalating conflicts over water and pasture in drought-affected areas in northern Kenya.

In **Somalia**, the evolving humanitarian disaster is one of the worst in world. The scale, magnitude and speed at which the crisis is deteriorating are alarming and profound. Within the first six months of this year the number of people requiring emergency livelihood and humanitarian support increased 77 percent, from 1.83 million to 3.25 million, affecting 43 percent of the entire population of the country. The rapidly deteriorating humanitarian situation is due to a combination of several issues which include: increasing food prices, a significant devaluation of the Somali Shilling, disruption of internal markets and internal trade, massive displacement (currently estimated by FSAU at more than 1.1 million), and mounting civil insecurity. Moreover, the extreme current food insecurity is being exacerbated by reduced humanitarian access which - at a time of sharply increased requirements in the last few months - has held back response actions. In the southern and central regions, where almost three-quarters of the people in need of vital humanitarian aid are present, armed groups attack aid workers, severely restraining the extent and range of humanitarian activities. Urban and rural households in these areas have already utilized most coping mechanism to react to the current crisis caused by crop failure - as a result of below-normal April-June rains - high food and fuel prices, and continued unrest.

In **Sudan**, households in the eastern parts of the south remain highly food insecure due to food shortages as a result of crop losses, isolation from markets, and insecurity. Following armed conflict on 13 and 14 May 2008, an estimated 50 000 people fled from Abyei. Most of these people moved into households of relatives and friends, leading to 40 000 more people from the host communities being vulnerable and bringing the total number of people in need of relief assistance to 72 300. Displacements and loss of livelihoods are expected to continue in the western region of Darfur. Overall, the conflict affected and displaced populations and vulnerable residents in Darfur, returnees in South Sudan, in the East and Three Areas, and refugees in the East have been identified by WFP as the primary groups requiring international assistance due to the continuing conflict in Darfur and the post-conflict settlement problems in other areas of the country. The requirements of 5.9 million people most adversely affected have been estimated at 677 990 tonnes of food.

In **Uganda**, according to a report of the Ministry of Disaster Preparedness released in mid-September, many areas of the country in the next two months could be hit by heavy rainfall. The report indicates that the epicentre of the rainfall is expected to be in eastern Uganda where 3.5 million people are recovering after last year's floods that destroyed their crops. Should the rains materialize, this would have a negative impact on the highly food insecure district of Karamoja where more than 700 000 people are food insecure and in need of emergency food aid as a result of prolonged insecurity, falling livestock prices, a severe attack of honeydew on sorghum, flood damage in 2007 and high cost of agricultural inputs. Compared to 2004 the current price of a 50 kg bag of nitrogen has risen three times. The Government has provided some farm equipment and seeds to farmers, but the population still needs food relief to bridge supplies up to the next harvest. Recent surveys indicate acute malnutrition at over 15 percent in Moroto and Nakapiripirit districts. Adequate food stocks and market supplies are ensuring constant food security in other bimodal areas of the country.

## Prices still soaring but started to decline in some countries

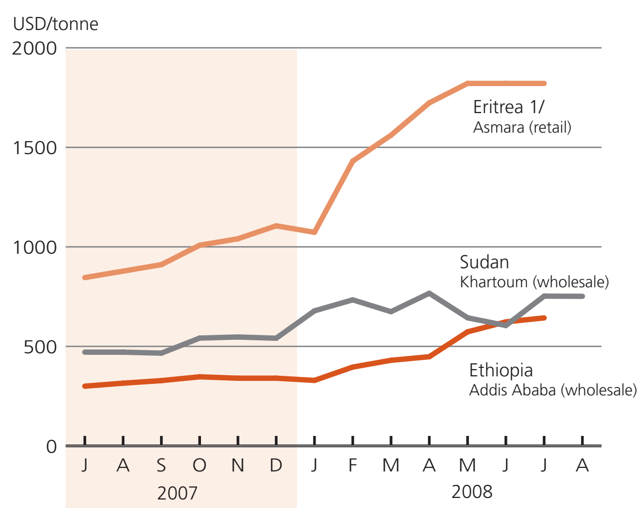
The prices of main staples throughout the subregion continue to be well above the long-term average. However, prices have started to decline in Kenya, the United Republic of Tanzania and parts of Uganda in response to increased availability from new crop supplies and the effects of government measures adopted to improve domestic availability.

In **Eritrea**, prices for food in Asmara have steadily increased since July 2007 reflecting the general rises in international markets. The retail price of wheat flour in July 2008, quoted at USD 1 821 per tonne was more than double the price prevailing a year earlier. In **Ethiopia**, grain prices continued to increase in 2008 after weakening slightly at the end of 2007. Since food prices in Ethiopia have continued to increase despite successive bumper harvests, it is unlikely that prices will decline after the "meher" harvest, which will start soon. Thus, there are other factors, in addition to supply and demand forces, that contribute to the price rises in Ethiopia. Some of the reasons include: high liquidity in the economy, high fuel prices, an inadequate grain market system and price speculation. The price of wheat in Addis Ababa in July increased to USD 643 per tonne from USD 623 per tonne in June. In the same market, white maize was quoted in July at USD 563 per tonne compared to USD 536 per tonne a month earlier

In **Kenya**, the price of maize in August in the Nairobi market, quoted at USD 319 per tonne, was some 16 percent lower than the peak of USD 379 reached in May this year. Similarly, the price of maize in the Mombasa market in August declined to USD 329 per tonne compared with the peak of USD 363 per tonne in June this year. In **Somalia**, poor consecutive harvests, growing demand from IDPs, increased civil insecurity, rising price of fuel and international food commodities, and market disruptions resulted in a sharp increases in food prices. Recently, the price of imported sorghum and imported brown rice was reported to have increased five times and four times, respectively, compared to the prices prevailing a year earlier. In **Sudan**, the wholesale price of wheat in Khartoum, which fluctuated between USD 541.56 per tonne and USD 733.68 per tonne in the period October 2007 and February 2008, had increased to USD 766.79 per tonne in April; in June declined to USD 604.78 per tonne, to rise again to USD 752.41 per tonne in July. In southern Sudan, sorghum prices have increased in response to seasonal shortage of cereals, growing demand for IDPs, insecurity and high cost of transportation linked to the rainy season. These price trends are likely to continue until the green harvest of crops starts.

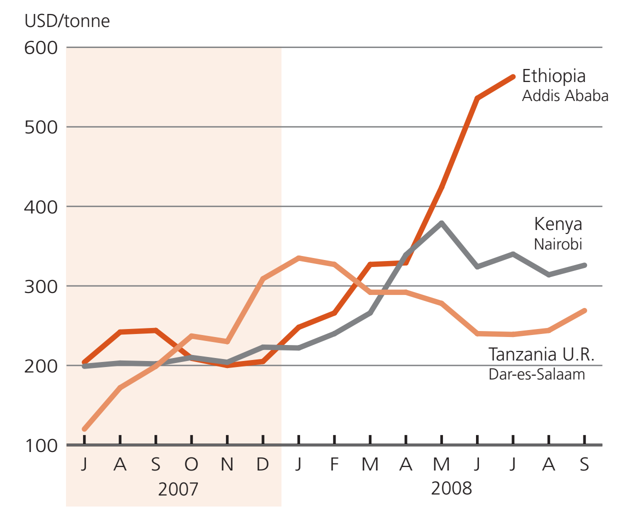
In the **United Republic of Tanzania**, the price of staple commodities is declining steadily in response to increased domestic stocks, following the maize harvest in the southern lowlands, and the continued export ban. However, prices are still above the five-year average primarily due to high fuel and transportation costs. Wholesale price of maize in Dar-es-Salaam declined from the peak of USD 335 per tonne in January 2008 to USD 239 per tonne in August. In **Uganda**, despite a harvested average crop, the retail price of maize in

**Fig. 4.** Wheat prices in selected Eastern African markets




1/ Wheat flour

**Fig. 5.** Wholesale Maize prices in selected Eastern African markets



Kampala, after a decline in June to USD 259 per tonne, has risen again to USD 295 per tonne in August. However, in other maize producing areas, such as Arua, maize prices are reported to be lower than both last year's levels and the long-term average.

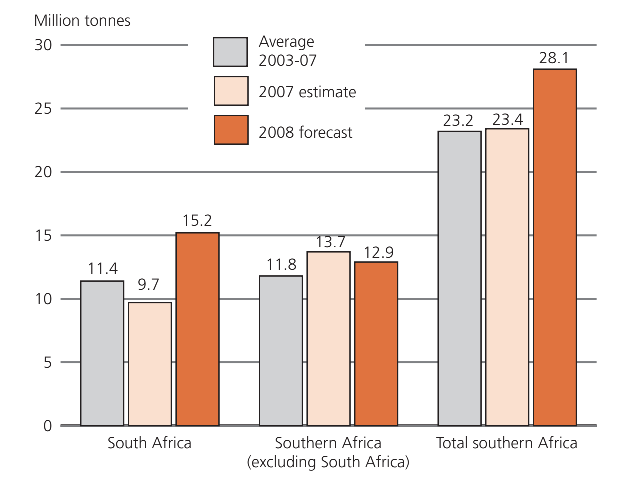
## Southern Africa

### Record cereal output in 2008 for the subregion but mainly due to significant production improvement in South Africa

The revised estimate of 2008 total cereal production (including forecasts for small amounts of wheat output of the current secondary season in a few countries) shows that the subregion harvested a record level of cereals. This, however, is primarily due to a significant increase in maize and other cereal harvest in **South Africa**. Excluding South Africa the aggregate output of the other countries was down compared to last year, although it remained above the five-year average (see Figures 6 and 7). A recovery in output from the previous poor year also in **Swaziland, Namibia, Botswana** and **Mozambique** did not offset reduced crops in **Zambia, Malawi, Angola** and **Zimbabwe**. Production of maize, the main staple crop in the subregion, is estimated at 20.2 million tonnes in 2008, some 28 percent higher than the less than satisfactory outcome of the previous year.

In **South Africa**, by far the largest producer of the subregion, the 2008 maize and total cereal harvests show 70 percent and 56 percent increases, respectively, compared to the drought affected harvests of the previous year.

**Fig. 6.** Southern Africa cereal production




### Import requirements for 2008/09 rise in spite of the improved aggregate harvest in the subregion

According to FAO, in spite of the bumper crop in the subregion the cereal import requirement is estimated up slightly in the 2008/09 marketing year compared to 2007/08. Excluding South Africa, the maize and total cereal import requirements of the subregion are estimated to rise steeply by 43 percent and 13 percent, respectively (see Figures 8 and 9). As a result of the significant drop in per capita domestic cereal availability combined with significant reduction in commercial import capacity due to the high food and fuel prices, demand on food aid, especially for maize, is estimated to increase substantially.

As far as the speed at which the imports are acquired in the subregion is concerned, it seems that import of maize, whose export price from South Africa has remained relatively stable, has arrived (or is contracted) at a faster rate this year compared to the same time last year (see Table 5). By contrast, given that the international prices of wheat and rice have risen much more this year compared to the last, the import acquisition of these cereals has occurred at a slower pace.

**Table 5.** 2008/09 import requirements and current import position for Southern Africa, (excluding South Africa and Mauritius) and comparison with import cover in 2007/08* at about the same period

| | 2008/09 Import requirements | 2008/09 Import requirements covered** by mid-September 2008 | | 2007/08 Import requirements covered** by mid-September 2008 | |
|---|---|---|---|---|---|
| | (000 tonnes) | (000 tonnes) | (%) | (000 tonnes) | (%) |
| **Total cereals** | | | | | |
| **Total** | **4 183** | **896** | **21** | **1 208** | **30** |
| Commercial | 3 622 | 728 | 20 | 953 | 28 |
| Food aid | 560 | 168 | 30 | 255 | 43 |
| **Maize** | | | | | |
| **Total** | **1 706** | **621** | **36** | **490** | **32** |
| Commercial | 1 357 | 598 | 44 | 430 | 39 |
| Food aid | 350 | 22 | 6 | 61 | 15 |

*Source*: FAO/GIEWS estimation.
*Available import data varies from April to mid-September 2008.
** Contracted and/or received.
*Notes:* Marketing year mostly April/March. Totals computed from unrounded data.

**Fig. 7.** Southern Africa maize production

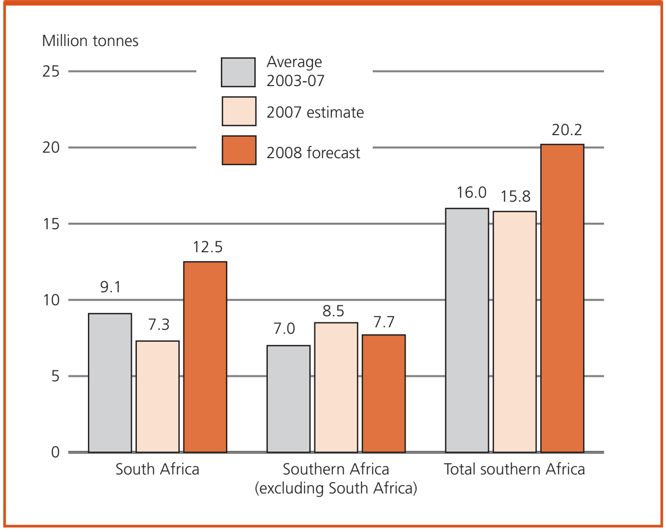



**Fig. 8.** Southern Africa (excluding South Africa) total cereal imports

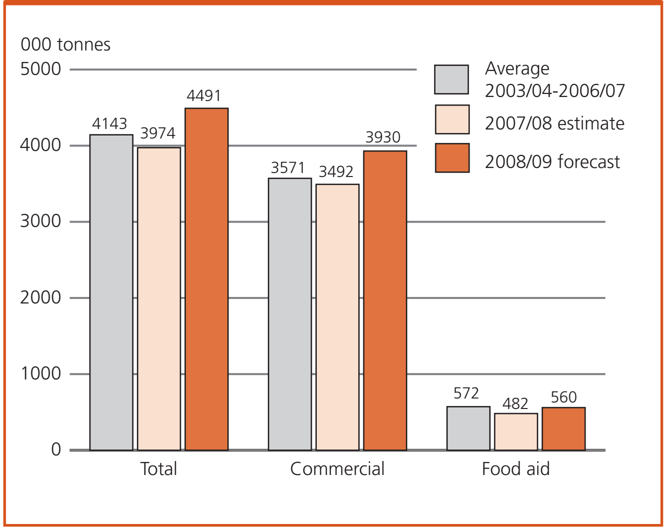



**Fig. 9.** Southern Africa (excluding South Africa) maize imports

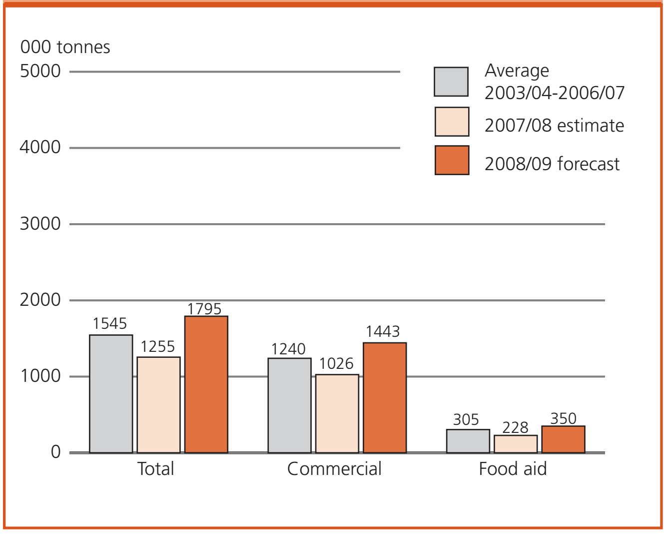
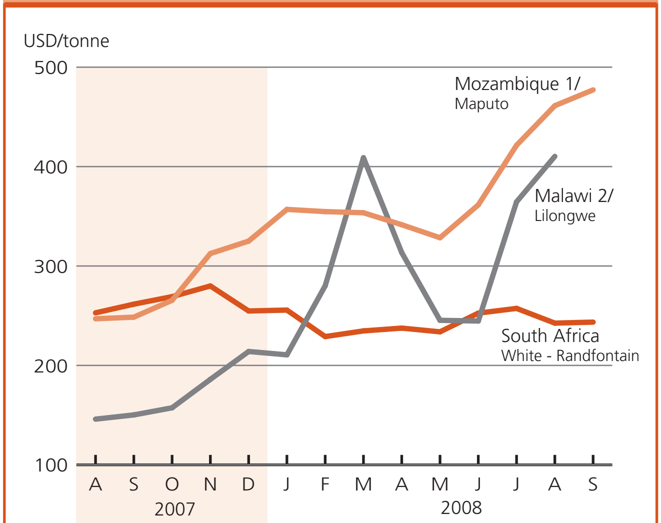



**Fig. 10.** Maize prices in selected Southern African markets



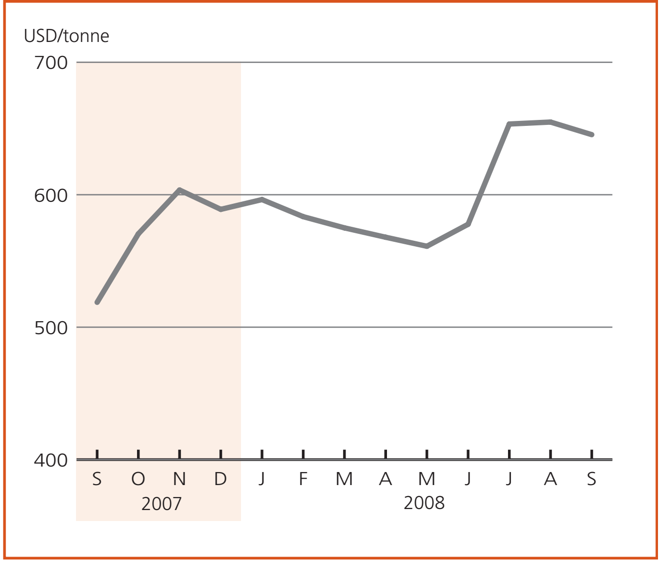

1/ Based on local currency wholesale prices per kg.
2/ Based on local currency retail prices per kg.

## Cereal prices remain generally high

Prices of the main cereal maize, in US dollar terms, remain higher at the start of this new marketing year than at the same time last year due to strong international and regional demand in most countries in **Southern Africa** , except in **South Africa**, where following a bumper harvest, the price of maize has weakened somewhat. In **Malawi**, prices continued to rise in recent months, largely attributed to private traders' speculation on markets; the spike in the price in April 2008 seems to have been an exaggerated reaction of the market due to the uncertain and conflicting early forecast of the 2008 harvest. In **Mozambique,** prices in all regions have increased due to rising transportation costs, strong demand by local millers and the lack of government food reserves.

In **Madagascar**, the national average price of rice this year is higher than the corresponding months last year. The post-harvest rice price has started to go up in June, earlier than usual. The price of imported rice, although increased over the same period but without the significant dip during the post harvest period as observed for the local rice.

**Fig. 11.** Locally produced rice price in Madagascar



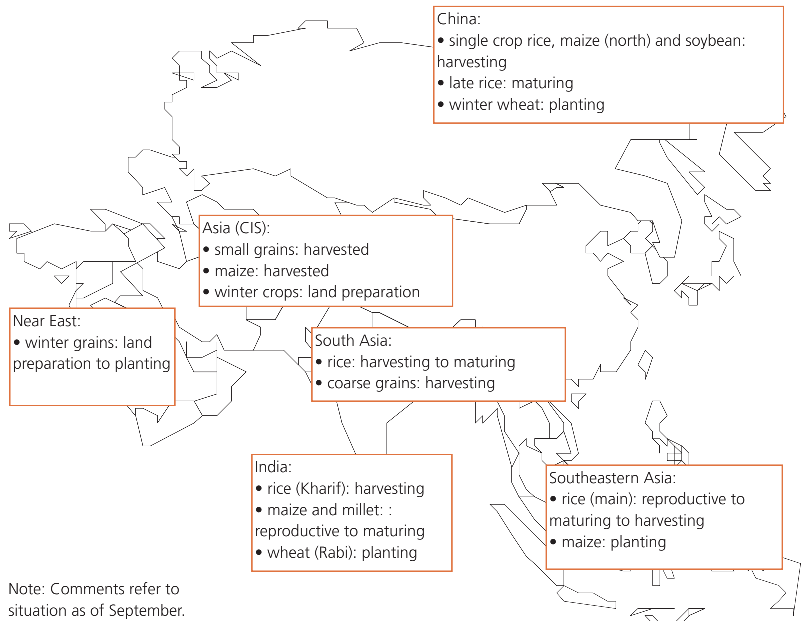

# Asia

## Far East

### Bumper 2008 rice crop expected in Far East Asia

Harvesting of the main rice crop is completed or drawing to a close in the subregion. Given the incentive of attractive prices and following good precipitation throughout the season across most of the subregion, FAO forecasts the 2008 aggregate output of rice at 403.3 million tonnes, 7.1 million tonnes above the previous year's record. The major increase is expected from Bangladesh, India, China, Indonesia, Viet Nam, and the Philippines. In **China** (Mainland), the 2008 paddy output is expected to reach another record at 187.3 million tonnes, compared to the 185.5 record of the previous year. The Government announced in September an increase in the minimum support price to CNY 1 580 per tonne for Indica rice (middle and late) and CNY 1 640 per tonne for Japonica rice, up by CNY 140 per tonne, respectively. In **India**, the 2008 southwest monsoon was close to the long-term average until the middle of September. The region-wise distribution of rains, too, has been satisfactory for agriculture. The 2008 milled rice output is tentatively forecast at 98 million tonnes, compared to the 96.4 million tonnes of last year.

### A good 2008 wheat crop as a whole for the subregion is estimated, but mixed at country level




Note: Comments refer to situation as of September.

Harvesting of 2008 winter wheat was completed throughout the subregion. FAO estimates a good season as a whole with the 2008 aggregate output of wheat at 215 million tonnes, 3.5 million tonnes above the previous year. However, the production situation was mixed at the country level. Good crops are estimated in **China** and **India**, but very bad harvests are reported in **the Islamic Republic of Iran** and **Pakistan.**

In **China** (Mainland), the 2008 aggregate wheat output is estimated at a record 112.5 million tonnes, 2.4 percent above the previous record set last year, reflecting Government support and favourable weather. Similarly a good wheat crop was collected in **India,** with the 2008 output estimated at a record 78.0 million tonnes, the highest in the last 8 years and 2.2 million tonnes above the previous record set last year, as a result of favourable weather and increased inputs available during the main growing season. This production is expected to be adequate for the domestic demand in 2008/09 after large imports in the past two years. The country imported some 6.7 million tonnes of wheat in 2006/07 (April/March) and then some 2 million tonnes in 2007/08. In contrast to the record production in China and India, the 2008 wheat crop registered a significant reduction in Pakistan and the Islamic Republic of Iran. **Pakistan's** wheat output in 2008 is now estimated at 21 million tonnes, 1.5 million tonnes lower than last year, as a result of reduced area due to sowing delays, less availability of irrigation water, substandard seeds, and high fertilizer prices. The 2008 wheat output in **the Islamic Republic of Iran** is estimated to fall by some 5 million tonnes to 10 million tonnes from last year's record because of dry conditions.

## Food supply difficulties persist in several countries due to disasters, conflict and insecurity, and rising food prices

Cyclone Nargis struck **Myanmar** on 2 and 3 May 2008 with winds up to 200 km per hour, sweeping through the Ayeyarwady (Irrawaddy) delta region and the country's main city and former capital. The adverse impact of the cyclone on household food security has been significant with many families having lost their food stocks. With scarce employment opportunities and the next harvest to take place only in November, there is an urgent need to provide relief food until households can recover their livelihoods. A joint FAO/WFP team will visit the country in October to assess the 2008/09 crop and food supply situation and needs for food aid and agricultural assistance. The **Democratic People's Republic of Korea** continues to suffer chronic food insecurity, high malnutrition rates and economic problems, and remains reliant on external food assistance to meet the needs of its 23 million people. The WFP/FAO Rapid Food Security Assessment (RFSA) conducted in June 2008 confirmed a significant deterioration in food security in most parts of the country. Harvesting of rice, the most important cereal in the country, is underway. The poor, especially those living in urban areas, have also been affected by the soaring food and fuel prices. **Nepal** faces a precarious food situation as a result of crop failure due to drought and recent floods in parts of the country. In August, tens of thousands of people in eastern Nepal have been displaced due to a breach in the banks of the Koshi River which flooded the area. Since 19 September, the incessant downpours in western Nepal have triggered floods and landslides that have claimed at least 38 lives and left around 90 missing. In the affected districts of the Far Western and Mid-Western regions 180 000 people have been reportedly displaced. Despite a bumper crop this season expected in **Sri Lanka,** the country's food security situation continues to be affected by the resurgence of civil conflict, as well as rising cereal prices. Since the beginning of 2008, more than 7 000 people have been reportedly killed in fighting and the security situation has deteriorated. Rice and wheat flour prices in June 2008 in Colombo city increased by 67 percent and 75 percent, respectively, compared to the same period in 2007.

An earthquake of magnitude 8 on 12 May rocked the south-western province of **Sichuan** in **China**, the worst in 30 years. Recent figures indicate that over 69 000 people were killed, more

**Table 6**. Asia cereal production (*million tonnes)*

| | Wheat | | | Coarse grains | | | Rice (paddy) | | | Total cereals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast |
| **Asia** | **271.2** | **285.2** | **276.3** | **253.5** | **266.0** | **262.9** | **581.1** | **598.4** | **608.6** | **1 105.7** | **1 149.5** | **1 147.7** |
| **Far East** | **199.0** | **211.7** | **215.2** | **226.0** | **239.7** | **241.4** | **576.2** | **593.3** | **604.0** | **1 001.2** | **1 044.7** | **1 060.6** |
| Bangladesh | 0.7 | 0.7 | 0.9 | 0.5 | 0.5 | 0.5 | 41.0 | 43.4 | 45.0 | 42.3 | 44.6 | 46.4 |
| China | 104.5 | 109.9 | 112.5 | 156.7 | 163.1 | 167.1 | 183.3 | 186.9 | 188.9 | 444.4 | 459.9 | 468.6 |
| India | 69.4 | 75.8 | 78.0 | 32.5 | 39.7 | 37.3 | 140.0 | 144.6 | 147.0 | 241.9 | 260.1 | 262.3 |
| Indonesia | 0.0 | 0.0 | 0.0 | 11.6 | 12.4 | 12.0 | 54.5 | 57.2 | 59.9 | 66.1 | 69.6 | 71.9 |
| Pakistan | 21.7 | 22.5 | 21.0 | 3.8 | 3.7 | 3.7 | 8.2 | 8.3 | 8.7 | 33.7 | 34.5 | 33.4 |
| Thailand | 0.0 | 0.0 | 0.0 | 4.0 | 3.9 | 4.2 | 29.6 | 32.1 | 32.5 | 33.7 | 36.0 | 36.7 |
| Viet Nam | 0.0 | 0.0 | 0.0 | 3.8 | 3.6 | 3.7 | 35.8 | 35.9 | 37.6 | 39.6 | 39.4 | 41.3 |
| **Near East** | **47.5** | **45.8** | **36.7** | **22.8** | **20.6** | **16.6** | **4.1** | **4.3** | **3.9** | **74.5** | **70.8** | **57.1** |
| Iran (Islamic Republic of) | 14.5 | 15.0 | 10.0 | 4.7 | 5.1 | 3.0 | 2.6 | 2.8 | 2.6 | 21.8 | 22.9 | 15.6 |
| Turkey | 20.0 | 17.2 | 17.8 | 13.9 | 11.4 | 10.7 | 0.7 | 0.6 | 0.6 | 34.6 | 29.3 | 29.1 |
| **CIS in Asia** | **24.6** | **27.5** | **24.4** | **4.6** | **5.7** | **4.8** | **0.7** | **0.7** | **0.7** | **29.9** | **33.8** | **29.9** |
| Kazakhstan | 13.7 | 16.5 | 14.0 | 2.5 | 3.3 | 2.8 | 0.3 | 0.3 | 0.3 | 16.5 | 20.1 | 17.1 |

*Note*: Totals computed from unrounded data.

**Fig. 12.** Retail wheat prices in selected Asian markets

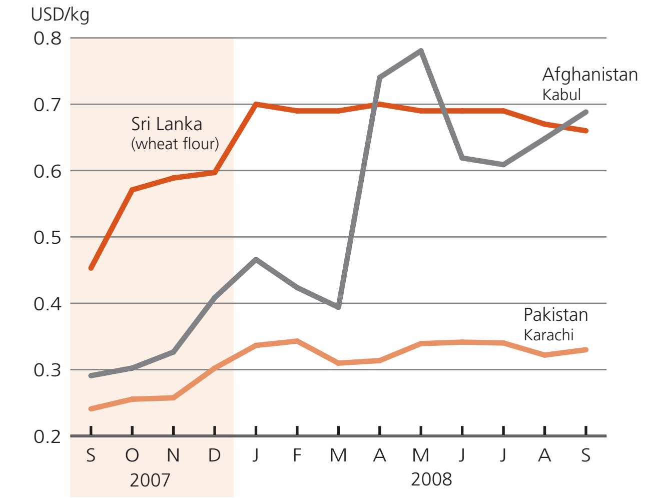
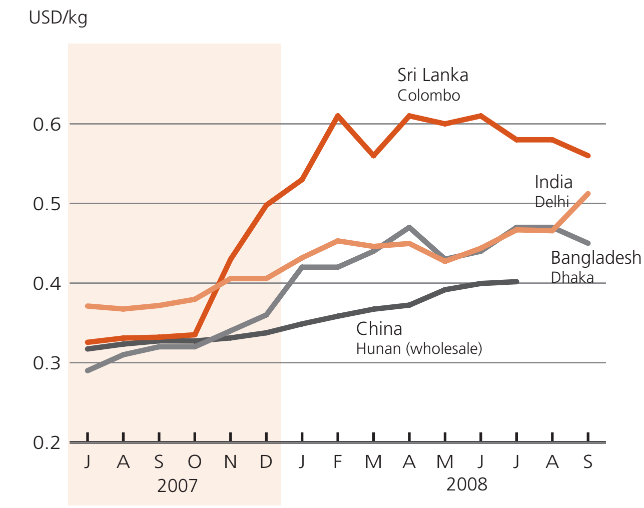



Fig. 13. Retail rice prices in selected Asian markets




than 374 000 people injured and over 18 457 are still missing. Some 4.5 million families lost their homes in the earthquake. Some 1 million urban households have moved into transitional houses and most of the 3.5 million rural families have reportedly rebuilt their transitional homes through their own efforts with Government subsidy. Typhoon Fengshen in **the Philippines** on 18 June 2008 compounded the effects of the southwest monsoon, triggering landslides, flooding and storm surges, bringing severe damage to infrastructure and agriculture. Latest figures from the National Disaster Coordinating Council (NDCC) indicate the more then 4 million people were directly affected, some 81 000 houses completely destroyed and over 326 000 damaged.

Based on a recent FAO assessment, the overall food supply situation in **Timor-Leste** is satisfactory. Crop production is expected to be better compared to last year, reflecting relatively good weather conditions and high market prices. Imported rice is available widely throughout the country. The Government is expected to import more rice and continue to provide the subsidy for the transportation cost for the districts. However, the insecurity situation needs to be monitored in **Timor-Leste,** due to country's high dependence on cereal imports, social instability, and the high unemployment rate. Wheat and barley are the main crops cultivated during the winter period in **the Islamic Republic of Iran**. Harvesting of wheat was complete in August and the 2008 wheat output is estimated to have fallen by some 5 million tonnes from last year's record to 10 million tonnes, the lowest in the last six years, as a result of drought conditions in the coutry as well as crop damage due to winter frost. With this reduced production, wheat imports in 2008/09 (April/March) may rise to 5 million tonnes. This would represent the largest level of imports in six years during which time the country remained largely self-sufficient in wheat. In **Bangladesh,** large-scale humanitarian relief operations are still ongoing to assist the 1.5 million people most affected by Cyclone Sidr, which hit up to 30 districts on 15 November. The reduction in 2007 paddy production and rising food prices are significantly impacting the food security of the vulnerable population in both urban and rural areas.

Prices of staple foods remain high and volatile in several countries in Asia (figures 12 and 13). In **Sri Lanka**, rice prices declined with the good 2008 paddy harvest in March but by August were almost twice their level of a year earlier. Similarly, in **Nepal**, the rice price declined from its peak in March following the harvesting of the main season paddy crop, but subsequently increased from May and by September was 85 percent above the same period last year. In **Pakistan** prices have risen sharply and were very volatile since February 2008. In **Bangladesh**, the rice price declined from its peak in May following a record main season paddy crop, but subsequently increased.

## Near East

In **Iraq**, generally unfavourable weather for most of the growing season led to drastically reduced 2008 winter grain production and created new uncertainties about the safety of drinking water. The aggregate output of wheat and barley crops is estimated at 1.9 million tonnes, some 40 percent lower than the average level in 2007 and the smallest crop in recent history. Thus, imports of wheat in the year ending in June 2009, are anticipated to increase to about 3.8 million tonnes, against 3.6 million tonnes estimated for the previous year. Many Iraqi refugees in Jordan and Syrian Arab Republic have decided to return to their homes encouraged by the improved security situation and financial incentives offered by the Government to help them resettle, particularly in Baghdad. The incentives are mostly for travel expenses and for financial help and compensation for those whose properties were damaged during their absence. The Iraqi Ministry of Health continues to fight an outbreak of cholera that had spread in late August resulting in casualties in central and southern areas.

In the **Syrian Arab Republic,** poor and irregular rains during the 2007/08 growing season have threatened the food security of farmers and herders in the affected areas and seriously jeopardized their livelihoods and nutritional status. A recent UN Inter-Agency (FAO, WFP, WHO, UNICEF and IOM) Drought Impact Assessment Mission has reported that, this year, the average yield of wheat, barley, lentil and chickpeas dropped by some 32 percent in the irrigated areas and as much as 89.9 percent in the rain-fed areas. The total wheat production in 2008 was estimated at 2.0 million tonnes, half the poor crop harvested last year and below average for the third consecutive year. As a result of inadequate pastures herders sold their animals for 60-70 percent below the normal prices and in many areas they even exhausted their herds. The Government has responded by distributing feed on loan to be repaid next season, as well as providing free veterinary assistance and vaccines. Moreover, the Government distributed food rations to 27 000 families. Reduced availability of wheat and barley has contributed to further increases in prices of food items in the market. This has adversely affected household incomes and purchasing power of the people particularly in the drought-affected areas. The Mission has estimated at some 1 million the food insecure people in north-eastern Syria where also availability of drinking water has considerably decreased. The situation is not expected to improve until the spring of 2009 when the crops now being sown will be harvested. Considering that the needed assistance is beyond government capacity and resources, the Inter-Agency Mission has launched an appeal for USD 20.23 million to address the emergency humanitarian needs and prevent further negative impacts on about 1 million drought-affected people for a period of six months (October 2008-March 2009).

The Government of **Yemen** has recently appealed to the international community for funds to provide humanitarian assistance to internally displaced people (IDPs) affected by the four-year conflict in the northern governorate of Saada as well as affected areas in Amran. In addition, the appeal also addresses the rehabilitation of infrastructure and houses damaged in the conflict. Out of an initial requirement for USD 190 million, the Government has contributed USD 55 million. The rest represents the gap that should be filled by the donor community. WFP in Yemen has recently launched a USD 30 million emergency programme to offset the high prices of food staples that are hitting food insecure people. The objective of the operation is to mitigate the impact of high food prices and reduce acute malnutrition. The programme addresses the needs of some 700 000 people, with the focus on children between two and five and pregnant/lactating women. The output from the 2008 sorghum and millet crops, now being harvested, is estimated at 630 000 tonnes and 129 000 tonnes, respectively. Overall favourable weather, adequate availability of agricultural inputs and above-average plantings, led to a 2008 production higher than both last year and the average for the previous five years. Imports of cereals in 2009 – mostly wheat - are forecast to increase slightly to 3.1 million tonnes.

In **Afghanistan**, the 2008 cereal harvest is officially estimated at 3.8 million tonnes, well below average and one-third less than in 2007 mostly reflecting unfavourable weather at both planting time and during the growing season. Wheat output is estimated at only 2.6 million tonnes (2007:4.3 million tonnes).

As a result, the cereal import requirement in 2008/09 is estimated at 2.3 million tonnes more than double the almost 1 million tonnes imported in 2007/08. Wheat imports account for 2.2 million tonnes. The commercial import capacity is estimated at 1.5 million tonnes leaving 0.7 million tonnes to be mobilized with assistance. In recognition of the severity of the grain production shortfall, the Government and the United Nations have appealed to the world community to donate USD 400 million to cover the sizeable wheat import and food aid needs of approximately 4.5 million affected Afghans, as well as to prepare for the next winter cropping season beginning this month.

## Asian CIS

A bitterly cold winter, below-normal precipitation and shortages of irrigation water have adversely affected crop yields in southern parts of central Asia. The 2008 harvests are well below average in **Kyrgyzstan**, **Tajikistan** and **Turkmenistan**. In the case of Kyrgyzstan and Tajikistan, this is the second poor harvest in succession. In Kazakhstan the 2008 cereal harvest is provisionally forecast at 17 million tonnes, 3 million tonnes less than last year's near record but still above average. The ban on wheat exports, introduced on 15 April, 2008 has been lifted with effect on 1 September. This should assist the neighbouring drought affected countries to mobilize their wheat import needs. However, purchasing power, rather than supply of grains, is the limiting factor in the food security situation in this region. **Uzbekistan** was also affected by the drought but to a lesser extent. The harvest is officially reported to be over 6 million tonnes, about average but less than last year. By contrast growing conditions in the Caucasus have been satisfactory this year and **Armenia**, **Azerbaijan** and **Georgia** have good harvests for the second year in succession.

The aggregate output of cereals in the region is 29.9 million tonnes, about average but 4 million tonnes less than production in 2007. Output of wheat is provisionally estimated at 24.4 million tonnes, 3.1 million tonnes less than last year. Production of coarse grains, at 4.8 million tonnes, is also less (5.7 million tonnes in 2007). Output of rice is estimated to be close to last year's level.

# Latin America and the Caribbean

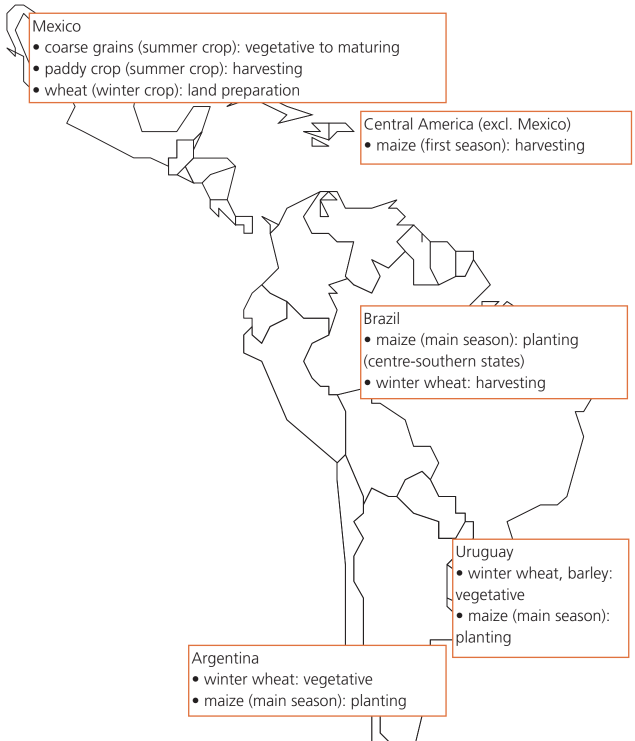
## Central America and the Caribbean

### Favourable prospects for 2008 cereal crops in Central America, but an intense Atlantic hurricane season causes severe losses in Haiti and Cuba

The 2008 aggregate cereal output of the subregion is forecast by FAO at 41.5 million tonnes, about 800 000 tonnes more than the previous year's record level and above the average of the last five years. In **Mexico**, harvesting of the 2008 main rain-fed summer coarse grain crops, accounting for some 75 percent of the annual production, is expected to start from late October in the states of Guanajuato, Mexico, Jalisco and Puebla. Seasonal production is expected to be very similar to the record level obtained in 2007 as a consequence of widespread use of better seed varieties and higher sowing density that improved average yields. In addition, the country is receiving normal to above-normal monsoon rains that maintained favourable soil moisture levels across the main producing areas. The same positive situation is reported in the case of sorghum crop with a record output at 6.2 million tonnes. Land is being prepared for planting the important winter wheat crop for harvest in 2009 in the almost fully irrigated areas of north-western states.

In **Costa Rica**, **El Salvador**, **Guatemala**, **Honduras**, **Nicaragua** and **Panama**, harvesting of the 2008 first season maize crop is well underway and planting of the second season crops, especially beans, has already begun. In these countries, 2008 aggregate maize output is provisionally estimated at about 3.5 million tonnes, some 10 percent above the good level of 2007, as a result of the various governmental programmes to support local production against the rise of international food prices.

In the Caribbean, the islands of Hispaniola, Jamaica and Cuba were hit by four tropical storms (named Fay, Gustav, Hanna and Ike) in less than four weeks, between mid-August and mid-September, which caused severe damages to urban and rural




Note: Comments refer to situation as of September.

**Fig. 14.** Retail rice prices in selected Central American markets

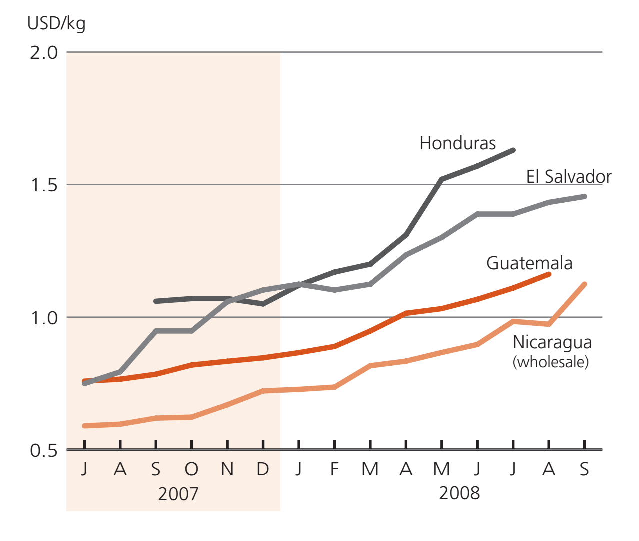



**Fig. 15.** Retail maize prices in selected Central American and Caribbean markets

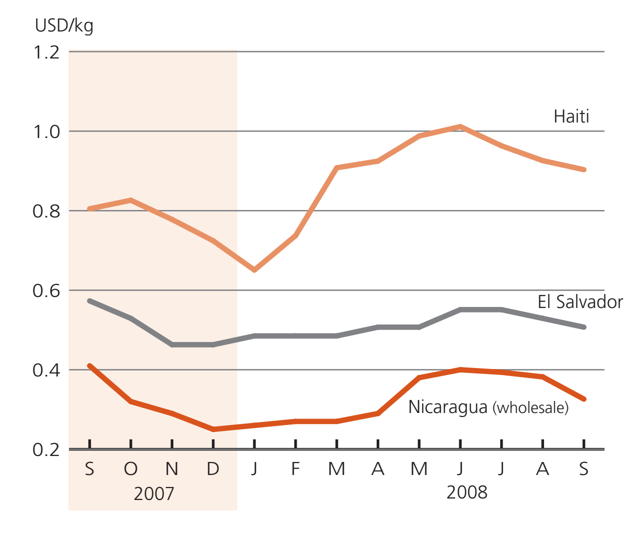
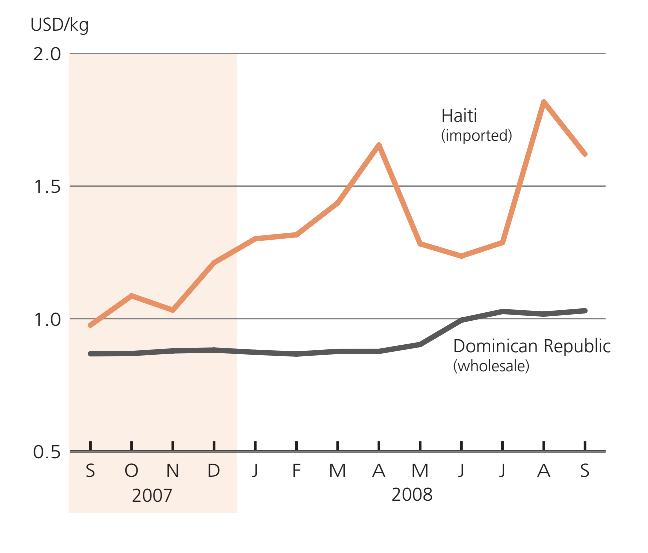


**Fig. 16.** Rice prices in selected Caribbean markets




infrastructures and losses of human lives. In **Haiti**, where about 850 000 people have been affected and more than 400 people died, early assessments of food situation report damages to summer season crops still to be harvested, such as maize and beans, and to banana plantations, especially in south and south-east regions and in the Artibonite valley. Practically the same crops have been affected in central and southern provinces of the **Dominican Republic**. In **Jamaica**, the Ministry of Agriculture has reported severe damage to banana plantations, especially in the eastern parishes of St. Mary, St. Thomas and Portland where losses are estimated at about 70-85 percent of the existing crop. In **Cuba**, major agricultural losses are reported in the Isla de la Juventud and the western province of Pinar del Rio, but also in the eastern provinces of Holguín and Las Tunas. Staple crops as plantains, cassava, rice, maize and sugar cane crops have been seriously affected and the damage caused by hurricane Ike alone is officially estimated at about 490 000 tonnes of staple food. In addition, about half a million chickens have been lost. In all Caribbean countries, there is high concern for the next two months until the end of the hurricane season because food vulnerability has increased dramatically, soils are widely saturated and even only limited amounts of rainfall can have very negative consequences on local livelihoods and food supply.

In most countries of the subregion, the price of rice continues its upward trend, which started at the beginning of 2007 (figure 14). As of August 2008, the price of rice was between 25 and 90 percent up compared to earlier months, while prices of wheat and maize have showed a slight decrease since July. The situation is expected to adversely affect food access of the poorest households who are highly dependent on purchased food.

## South America

### Severe drought affects production prospects of 2008 winter wheat crop in Argentina

Harvesting of the 2008 winter wheat crop has recently started in centre-south states of **Brazil** and in **Paraguay** and will continue until November. By the end of October, harvesting is expected to start in the important growing areas of **Argentina** and **Uruguay**. Aggregate wheat production for the subregion is tentatively forecast at 21 million tonnes, about 1.5 million tonnes below the average of the last five years. The aggregate planted area is reported at a low level of 8.2 million hectares, largely as a consequence of the prolonged drought that affected Argentina since May. The most affected departments are Córdoba, southern Santa Fe, Santiago del Estero, Chaco and La Pampa, where cumulative precipitation from May to September was the lowest in the last forty years. As a result of the very limited soil moisture, planting operations have been

**Table 7.** Latin America and Caribbean cereal production (*million tonnes)*

| | Wheat | | | Coarse grains | | | Rice (paddy) | | | Total cereals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast |
| **Latin America & Caribbean** | **23.5** | **26.3** | **24.8** | **107.7** | **128.2** | **134.2** | **24.9** | **24.4** | **26.1** | **156.2** | **178.9** | **185.1** |
| **Central America & Caribbean** | **3.3** | **3.4** | **3.8** | **32.3** | **34.8** | **35.2** | **2.5** | **2.5** | **2.5** | **38.0** | **40.7** | **41.5** |
| Mexico | 3.2 | 3.4 | 3.8 | 28.3 | 30.6 | 30.6 | 0.3 | 0.3 | 0.3 | 31.9 | 34.3 | 34.7 |
| **South America** | **20.3** | **22.9** | **21.0** | **75.5** | **93.3** | **99.1** | **22.4** | **21.9** | **23.6** | **118.2** | **138.2** | **143.7** |
| Argentina | 14.5 | 16.0 | 12.0 | 18.3 | 26.6 | 25.5 | 1.2 | 1.1 | 1.3 | 34.1 | 43.7 | 38.7 |
| Brazil | 2.5 | 4.1 | 5.4 | 45.0 | 53.9 | 61.1 | 11.7 | 11.3 | 12.1 | 59.2 | 69.3 | 78.6 |
| Colombia | 0.0 | 0.0 | 0.0 | 1.7 | 1.8 | 1.8 | 2.3 | 2.4 | 2.6 | 4.1 | 4.2 | 4.4 |

*Note*: Totals computed from unrounded data.

delayed and planted area is estimated at 4.6 million hectares, the lowest area since 1996. In addition, dryness and frequent freezing temperatures are preventing a uniform germination and proper establishment of crops in the most affected areas, with negative consequences on yields that, in some cases, may drop up to 40 percent compared to previous year. However in south-eastern Buenos Aires department, the largest wheat producing region, yield prospects are still favourable due to near to above normal precipitations in August. On the contrary, in Brazil, good weather conditions in main producing states of Parana and Rio Grande do Sul and a widespread increase in planted area (up to 30 percent in Parana) as a response to high international prices are positively influencing current production that is expected to reach 5.4 million tonnes, the largest wheat crop since 2004.

Harvesting of the 2008 second season maize crop has been completed in August and the 2008 aggregate production (first and second season) is estimated at a record 89.4 million tonnes, some 6 percent above the previous record set last year. As in 2007, this good output 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 2008 aggregate maize output in Brazil, the main producer in the subregion, is officially estimated at 58.6 million tonnes, about 13 percent above the record level obtained in 2007 and 33 percent above last five years average.

## Dry conditions delay plantings of 2009 summer maize crop

Planting of the important 2009 summer maize crop has started in southern countries of the subregion and will be concluded by mid-October. In Argentina, official planting intentions point to an area of about 2.7 million hectares, some 15 percent less than last year as a consequence of relatively high prices of inputs, low internal prices and export limits imposed by the government that may induce a shift toward more profitable crops such as soybean and sunflower. Moreover, if current dry weather conditions persist in key growing areas, the total planted area may be further reduced. Better precipitations are also needed in central Brazil and Uruguay, where soil moisture is not yet ideal for planting 2009 summer season secondary cereal crops.

**Fig. 17.** Rice prices in selected South American markets

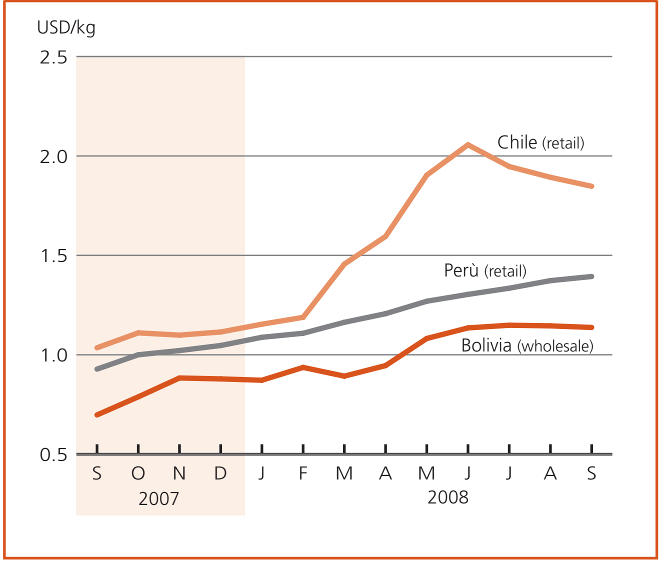
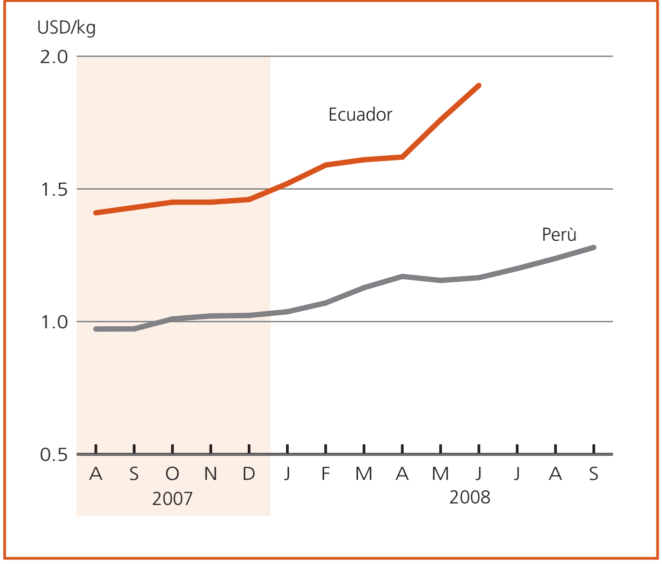



**Fig. 18.** Retail maize prices in selected South American markets



# North America, Europe and Oceania

## North America

The **United States**' 2008 wheat output is officially estimated to have increased by about 21 percent from last year to 68 million tonnes. A sharp expansion of planted area and favourable weather contributed to raise output well above the average of the past five years. As of early October, planting of the winter wheat crop for harvest in 2009 was reported to be almost complete in some of the southern states and about 60 percent complete over the country as a whole, which is about average for this stage of the season. Planting conditions throughout are reported to be generally favourable. However, with a significant improvement in the global wheat supply situation estimated in 2008/09, wheat prices have been on the decline since June. Additionally, input costs are expected to remain high or increase for the next production season, thus, wheat production is expected to be a less attractive prospect for producers in 2009 than it has been this year and the area planted is expected to decline from the high level in 2007/08. With regard to coarse grains, as of early October, the progress of the maize harvest was well behind average because of this season's slow pace of maturation. However, the crop remains in good to excellent conditions, and is mostly beyond the point where early frosts could have any significant impact on yields. This year's maize output is now officially forecast at 306.7 million tonnes, about 8 percent below the record high last year.

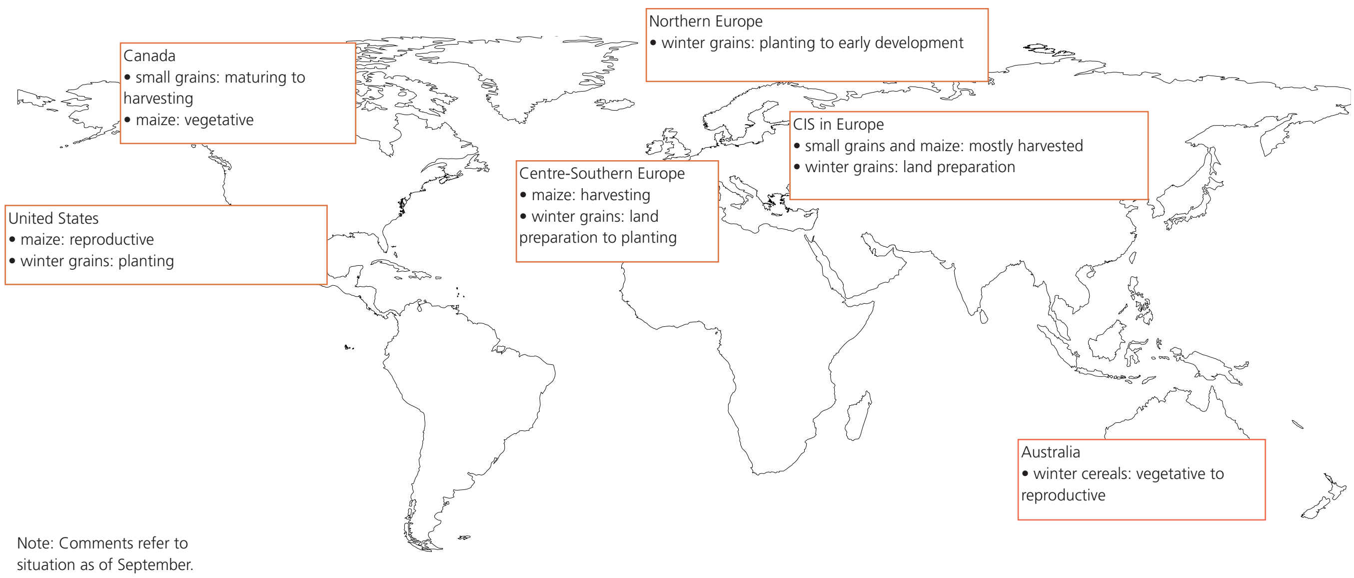
In **Canada**, a cool rainy summer slowed crop development but was favourable for boosting yields. As a result, harvest results are reported to be better than expected earlier in the season. Official estimates in early October put the total wheat output at 27.3 million tonnes, about 36 percent up from last year's reduced crop. Prospects for this year's coarse grain crops (mainly barley, maize and oats) have similarly improved over the past weeks, but output is, nevertheless, forecast to be below last year's level at 26.1 million tonnes after a reduction in maize area.

## Europe

### Europe's 2008 cereal harvest turn out better than earlier expectations and 2009 winter grain planting prospects favourable

The forecast for the **European Union's** aggregate cereal output in 2008 has been raised significantly since the previous report in July, to 309 million tonnes, almost 19 percent up from the aggregate output of the 27 countries in the previous year. Planted area increased significantly from the previous year, especially in the EU15 countries where the 10 percent compulsory set-aside was removed, while average yields also improved greatly, particularly in the eastern countries, reflecting generally favourable weather conditions. Of the total output, wheat is now estimated to account for about 148 million tonnes, 23 percent up from 2007. However, excessive wetness in parts this year has had an adverse affect on wheat quality, reducing the average protein content, which will result in a higher proportion than normal being destined for feed use. The aggregate output of coarse grains is now seen at almost 158 million tonnes, nearly 15 percent up from last year's reduced level.

In the **Balkan** region among the non-EU countries, the 2008 cereal harvest outcome was also satisfactory and output recovered well from the drought' reduced level of 2007. In Serbia, good yields have partially offset a reduction in the area sown to wheat and output is estimated at over 2.1 million tonnes. This would be more than enough to cover domestic needs and could leave a small surplus available for export. Output of maize is forecast to rise from 4 to 6.5 million tonnes which, if materialized could leave an exportable surplus of about 1.5 million tonnes.



Growing conditions for both wheat and spring coarse grains have been good and output far exceeds the drought reduced crops of 2007. In **Serbia**, cereal output could exceed 9 million tonnes, 19 percent above average, despite a reduction in the area sown to wheat. Output includes 2 million tonnes of wheat and the balance is coarse grains. In **Croatia** the harvest of cereals is expected to recover to an about average 2.8 million tonnes, including 0.6 million tonnes of wheat; maize production is expected to reach 2 million tonnes. In **Bosnia** and **Herzegovina**, cereal output is estimated at 1.1 million tonnes, 6 percent above average despite a reduction in the area sown.

The winter cereal planting for crops to be harvested in 2009 is already well underway in the main northern/western producing countries. Planting got off to a slow start in some northern/western countries because of rainy weather in early September, but conditions improved towards the end of the month allowing fieldwork to progress rapidly. In the southeast, some good rainfall in mid-September, although hampering the still ongoing 2007 harvests was beneficial in improving soil moisture levels for the upcoming winter grain planting after a dry harvesting period. At this early stage, the outcome of the winter grain planting season remains uncertain. However, the current scenario of weakening cereal prices, together with increasing input costs, firmly points to a decline in the winter grain area in the 27 member countries for next year's harvest.

In the **European CIS**, growing conditions have been very favourable and all countries have achieved good to record harvests. In **Belarus**, the 2008 grain harvest is officially estimated about 8.3 million tonnes. Cereal output in **Moldova** recovered to a bumper 2.9 million tonnes compared to about 800 000 tonnes in the drought affected 2007. Both the **Russian Federation** and **Ukraine** have harvested record crops. In the **Russian Federation** FAO's provisional estimate is nearly 95 million tonnes, but some analysts are forecasting 100 million or more tonnes. FAO's estimate includes 57 million tonnes of wheat and 37 million tonnes of coarse grains. Output in the **Ukraine** is forecast to reach 47 million tonnes compared to last year's drought reduced 27.6 million tonnes. As a result of these good harvests, cereal production in the region increased by over 30 percent and cereal prices have fallen significantly. Both the Russian Federation and Ukraine have substantial exportable surpluses of wheat and coarse grains. In fact, exports are likely to be limited by infrastructure constraints and stocks in the subregion are expected to rise.

Winter crop planting is underway in Ukraine; some 8.8 million hectares are expected to be sown.

## Oceania

The prospects for the 2008 winter cereal crops in Australia have deteriorated over the past two months, largely reflecting the impact of dry weather in southwestern parts of New South Wales. However, the prospects for the coming harvest remain much better than last year when the country suffered widespread drought. The latest official estimate of September put wheat output in 2008 at about 22.5 million tonnes, already down from earlier forecast, but more recent indications in early October point to further losses that may bring the final output down to between 21 to 22 million tonnes. Nevertheless, this level of output will still be well up from the reduced crop of 13 million tonnes in 2007. The early outlook for the minor summer grain crop for harvest in 2009 (mainly sorghum and maize) to be planted in the coming weeks points to a decline in area. There is likely to be less fallow land available for summer cropping in southern Queensland and northern New South Wales as a result of the increased area currently sown to winter crops. Assuming a return to average yields from the records achieved in the 2007/08 season, sorghum production in 2008/09 is forecast to decline to slightly less than 2 million tonnes.

**Table 8.** North America, Europe and Oceania cereal production (*million tonnes)*

| | Wheat | | | Coarse grains | | | Rice (paddy) | | | Total cereals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast | 2006 | 2007 estim. | 2008 f'cast |
| **North America** | **74.6** | **76.3** | **95.3** | **303.7** | **379.5** | **350.6** | **8.8** | **9.0** | **9.4** | **387.1** | **464.8** | **455.3** |
| Canada | 25.3 | 20.1 | 27.3 | 23.3 | 28.0 | 26.1 | 0.0 | 0.0 | 0.0 | 48.6 | 48.0 | 53.4 |
| United States | 49.3 | 56.2 | 68.0 | 280.4 | 351.5 | 324.5 | 8.8 | 9.0 | 9.4 | 338.5 | 416.7 | 401.9 |
| **Europe** | **192.0** | **188.9** | **236.3** | **210.3** | **197.3** | **239.9** | **3.5** | **3.6** | **3.5** | **405.8** | **389.8** | **479.7** |
| EU [1] | 117.8 | 120.1 | 148.3 | 127.2 | 137.6 | 158.2 | 2.6 | 2.7 | 2.6 | 247.6 | 260.5 | 309.1 |
| Romania [2] | 5.5 | 0.0 | 0.0 | 10.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15.8 | 0.0 | 0.0 |
| Serbia | 1.9 | 1.5 | 2.1 | 6.9 | 4.4 | 7.0 | 0.0 | 0.0 | 0.0 | 8.8 | 5.9 | 9.1 |
| **CIS in Europe** | **60.6** | **64.9** | **83.3** | **57.5** | **50.0** | **68.6** | **0.8** | **0.8** | **0.8** | **118.9** | **115.6** | **152.8** |
| Russian Federation | 45.1 | 49.4 | 57.0 | 31.2 | 30.4 | 37.0 | 0.7 | 0.7 | 0.7 | 76.9 | 80.5 | 94.7 |
| Ukraine | 13.8 | 13.7 | 23.5 | 20.1 | 13.8 | 23.5 | 0.1 | 0.1 | 0.1 | 34.0 | 27.6 | 47.1 |
| **Oceania** | **11.1** | **13.4** | **22.8** | **8.1** | **9.3** | **13.5** | **1.1** | **0.2** | **0.0** | **20.3** | **22.9** | **36.4** |
| Australia | 10.8 | 13.1 | 22.5 | 7.5 | 8.8 | 13.0 | 1.0 | 0.2 | 0.0 | 19.4 | 22.0 | 35.5 |

[1] Eu-25 in 2006; EU-27 in 2007 and 2008.
[2] In 2007 and 2008 included in EU-27.
*Note*: Totals computed from unrounded data.

# Statistical appendix

**Table A1.** Global cereal supply and demand indicators

| | Average 2001/02 - 2005/06 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|---|---|---|
| | (percentage) | | | | | |
| **1. Ratio of world stocks to utilization** | | | | | | |
| Wheat | 31.4 | 28.8 | 29.0 | 26.0 | 24.0 | 29.0 |
| Coarse grains | 18.2 | 19.1 | 18.3 | 15.1 | 15.2 | 15.6 |
| Rice | 27.6 | 23.8 | 24.6 | 23.9 | 24.6 | 25.9 |
| Total cereals | 24.2 | 23.0 | 22.8 | 20.1 | 19.7 | 21.6 |
| **2. Ratio of major grain exporters' supplies to normal market requirements** | 123 | 137 | 133 | 115 | 119 | 123 |
| **3. Ratio of major exporters' stocks to their total disappearance** | | | | | | |
| Wheat | 20.3 | 21.8 | 22.2 | 14.9 | 10.9 | 15.8 |
| Coarse grains | 15.3 | 18.7 | 17.9 | 12.5 | 12.4 | 10.8 |
| Rice | 17.3 | 13.5 | 16.0 | 15.4 | 17.0 | 18.5 |
| Total cereals | 17.6 | 18.0 | 18.7 | 14.3 | 13.4 | 15.0 |

| | Annual trend growth rate 1998-2007 | Change from previous year 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | (percentage) | | | | | |
| **4. Changes in world cereal production** | 1.3 | 9.3 | -1.1 | -2.1 | 5.8 | 4.9 |
| **5. Changes in cereal production in the LIFDCs** | 1.3 | 3.5 | 5.1 | 3.2 | 3.1 | 1.7 |
| **6. Changes in cereal production in LIFDCs less China and India** | 2.7 | 0.3 | 6.6 | 4.1 | -1.2 | 2.0 |

| | Average 2001/02 - 2005/06 | Change from previous year 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09* |
|---|---|---|---|---|---|---|
| | | (percentage) | | | | |
| **7. Selected cereal price indices:** | | | | | | |
| Wheat (July/June) | 116.3 | -1.0 | 5.2 | 25.4 | 87.3 | 9.8 |
| Maize (July/June) | 103.7 | -15.2 | 6.4 | 44.6 | 33.3 | 61.1 |
| Rice (Jan./Dec.) | 87.7 | 24.9 | 5.4 | 8.9 | 17.0 | 96.7 |

*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.
* For **wheat** and **coarse grains**, July/September, for **rice** January/September.

## **Table A2**. World cereal stocks[1] (*million tonnes*)

| | 2004 | 2005 | 2006 | 2007 | 2008 estimate | 2009 forecast |
|---|---|---|---|---|---|---|
| **TOTAL CEREALS** | **417.4** | **469.8** | **470.0** | **426.6** | **432.1** | **466.8** |
| **Wheat** | **162.3** | **178.7** | **179.5** | **160.1** | **154.9** | **183.5** |
| held by: | | | | | | |
| - main exporters [2] | 38.6 | 55.1 | 56.2 | 36.6 | 26.9 | 42.7 |
| - others | 165.3 | 123.6 | 123.3 | 123.5 | 128.0 | 140.8 |
| **Coarse grains** | **149.8** | **191.2** | **185.4** | **161.8** | **168.0** | **168.9** |
| held by: | | | | | | |
| - main exporters[2] | 48.5 | 92.7 | 90.7 | 62.3 | 71.2 | 61.5 |
| - others | 107.6 | 98.4 | 94.7 | 99.5 | 96.9 | 107.5 |
| **Rice** (milled basis) | **105.3** | **99.9** | **105.0** | **104.6** | **109.2** | **114.4** |
| held by: | | | | | | |
| - main exporters[2] | 22.5 | 19.3 | 23.3 | 23.1 | 25.8 | 28.7 |
| - others | 97.3 | 80.6 | 81.7 | 81.5 | 83.3 | 85.7 |
| | | | | | | |
| **Developed countries** | **123.2** | **188.5** | **189.8** | **136.5** | **128.0** | **143.7** |
| Australia | 8.8 | 10.0 | 13.6 | 6.3 | 5.7 | 6.9 |
| European Union [3] | 21.5 | 47.6 | 45.1 | 32.7 | 30.3 | 38.0 |
| Canada | 10.3 | 14.5 | 16.2 | 10.5 | 7.8 | 9.8 |
| Hungary [4] | 0.8 | - | - | - | - | - |
| Japan | 4.9 | 4.7 | 4.8 | 4.4 | 4.2 | 3.9 |
| Poland [4] | 2.4 | - | - | - | - | - |
| Romania [5] | 1.2 | 5.0 | 5.6 | 3.8 | - | - |
| Russian Federation | 7.3 | 9.1 | 9.3 | 9.5 | 10.8 | 16.1 |
| South Africa | 3.5 | 4.1 | 4.1 | 2.7 | 1.7 | 3.3 |
| Ukraine | 2.8 | 4.2 | 4.8 | 4.3 | 4.3 | 7.5 |
| United States | 44.4 | 74.7 | 71.7 | 49.9 | 53.1 | 47.6 |
| | | | | | | |
| **Developing countries** | **294.3** | **281.2** | **280.2** | **290.1** | **304.1** | **323.1** |
| **Asia** | **253.5** | **237.1** | **237.4** | **243.2** | **261.6** | **279.0** |
| China | 163.3 | 152.8 | 149.0 | 152.8 | 168.4 | 185.1 |
| India | 32.9 | 26.7 | 25.8 | 28.5 | 34.6 | 37.1 |
| Indonesia | 6.0 | 5.7 | 5.1 | 5.8 | 6.7 | 6.9 |
| Iran, Islamic Republic of | 3.5 | 3.2 | 3.6 | 3.5 | 3.0 | 2.9 |
| Korea, Republic of | 2.9 | 2.5 | 2.8 | 2.9 | 2.8 | 2.7 |
| Pakistan | 1.9 | 2.0 | 3.2 | 3.3 | 3.1 | 3.1 |
| Philippines | 1.9 | 2.3 | 2.9 | 2.8 | 3.4 | 3.6 |
| Syrian Arab Republic | 4.2 | 4.4 | 4.5 | 3.1 | 2.6 | 2.0 |
| Turkey | 7.2 | 6.5 | 5.5 | 6.0 | 4.4 | 2.8 |
| **Africa** | **20.7** | **23.3** | **26.0** | **31.3** | **27.2** | **24.8** |
| Algeria | 2.6 | 3.6 | 4.4 | 4.7 | 4.6 | 4.2 |
| Egypt | 2.7 | 3.1 | 4.5 | 4.5 | 3.9 | 3.7 |
| Ethiopia | 0.1 | 0.2 | 0.6 | 1.2 | 1.9 | 1.7 |
| Morocco | 3.0 | 4.9 | 2.7 | 4.2 | 2.4 | 2.1 |
| Nigeria | 1.6 | 1.3 | 1.4 | 2.1 | 0.9 | 0.9 |
| Tunisia | 1.0 | 1.2 | 1.4 | 1.3 | 1.9 | 1.0 |
| **Central America** | **5.9** | **6.4** | **4.8** | **4.8** | **5.3** | **5.1** |
| Mexico | 3.9 | 4.6 | 2.8 | 2.7 | 3.2 | 3.0 |
| **South America** | **13.8** | **14.2** | **11.7** | **10.5** | **9.8** | **14.2** |
| Argentina | 3.8 | 3.2 | 2.6 | 1.6 | 2.9 | 3.4 |
| Brazil | 5.8 | 6.3 | 4.1 | 3.1 | 1.8 | 5.8 |

[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, from 2008 27 member countries.
[4] From 2005 included in the EU.
[5] From 2008 included in the EU.
*Note:* Based on official and unofficial estimates. Totals computed from unrounded data.

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

| Period | Wheat | | | Maize | | Sorghum |
|---|---|---|---|---|---|---|
| | US No.2 Hard Red Winter Ord. Prot.[1] | US Soft Red Winter No.2[2] | Argentina Trigo Pan[3] | US No.2 Yellow[2] | Argentina[3] | US No.2 Yellow[2] |
| **Annual (July/June)** | | | | | | |
| 2003/04 | 161 | 149 | 154 | 115 | 109 | 118 |
| 2004/05 | 154 | 138 | 123 | 97 | 90 | 99 |
| 2005/06 | 175 | 138 | 138 | 104 | 101 | 108 |
| 2006/07 | 212 | 176 | 188 | 150 | 145 | 155 |
| 2007/08 | 361 | 311 | 318 | 200 | 192 | 206 |
| **Monthly** | | | | | | |
| 2007 – October | 352 | 323 | 321 | 163 | 180 | 172 |
| 2007 – November | 332 | 307 | 290 | 171 | 179 | 171 |
| 2007 – December | 381 | 345 | 310 | 178 | 171 | 192 |
| 2008 – January | 381 | 343 | 330 | 206 | 199 | 225 |
| 2008 – February | 449 | 403 | 365 | 220 | 206 | 222 |
| 2008 – March | 481 | 397 | 395 | 234 | 216 | 233 |
| 2008 – April | 382 | 301 | - | 247 | 224 | 243 |
| 2008 – May | 349 | 258 | - | 242 | 207 | 240 |
| 2008 – June | 358 | 249 | 363 | 281 | 258 | 268 |
| 2008 – July | 341 | 245 | 329 | 267 | 252 | 232 |
| 2008 – August | 343 | 253 | 307 | 232 | 217 | 209 |
| 2008 – September | 308 | 222 | 283 | 229 | 203 | 208 |
| 2008 – October (one week average) | 264 | 188 | - | 184 | 172 | 160 |

[1] Delivered United States f.o.b Gulf.
[2] Delivered United States Gulf.
[3] Up River f.o.b.
*Sources:* International Grain Council and USDA.

**Table A4a.** Cereal import requirements of Low-Income Food-Deficit Countries[1] , 2007/08 or 2008 estimates (*thousand tonnes*)

| | Marketing year | 2006/07 or 2007 Actual imports | | | 2007/08 or 2008 | Import position[2] | | |
|---|---|---|---|---|---|---|---|---|
| | | Commercial purchases | Food aid | Total commercial and aid | Total import requirements (excl. re-exports) | Total commercial and aid | Food aid allocated, committed or shipped | Commercial purchases |
| **AFRICA** | | **33 863.0** | **2 304.5** | **36 167.5** | **38 951.3** | **30 100.6** | **1 996.4** | **28 104.2** |
| **North Africa** | | **15 743.5** | **24.5** | **15 768.0** | **18 501.0** | **18 501.0** | **0.0** | **18 501.0** |
| Egypt | July/June | 11 895.5 | 24.5 | 11 920.0 | 11 930.0 | 11 930.0 | 0.0 | 11 930.0 |
| Morocco | July/June | 3 848.0 | 0.0 | 3 848.0 | 6 571.0 | 6 571.0 | 0.0 | 6 571.0 |
| **Eastern Africa** | | **4 078.8** | **1 367.7** | **5 446.5** | **5 698.0** | **3 777.2** | **1 189.8** | **2 587.4** |
| Burundi | Jan./Dec. | 76.4 | 50.6 | 127.0 | 139.0 | 15.2 | 15.2 | 0.0 |
| Comoros | Jan./Dec. | 56.2 | 0.0 | 56.2 | 42.0 | 27.4 | 0.0 | 27.4 |
| Djibouti | Jan./Dec. | 69.1 | 7.4 | 76.5 | 75.0 | 39.4 | 7.5 | 31.9 |
| Eritrea | Jan./Dec. | 198.7 | 2.3 | 201.0 | 311.0 | 5.9 | 5.9 | 0.0 |
| Ethiopia | Jan./Dec. | 27.2 | 504.5 | 531.7 | 756.0 | 621.8 | 438.2 | 183.6 |
| Kenya | Oct./Sept. | 1 040.0 | 180.4 | 1 220.4 | 1 512.0 | 869.3 | 187.4 | 681.9 |
| Rwanda | Jan./Dec. | 176.0 | 16.0 | 192.0 | 138.0 | 50.8 | 10.6 | 40.2 |
| Somalia | Aug./July | 351.2 | 128.8 | 480.0 | 510.0 | 510.0 | 94.7 | 415.3 |
| Sudan | Nov./Oct. | 1 247.0 | 354.5 | 1 601.5 | 1 513.0 | 1 025.1 | 332.3 | 692.8 |
| Uganda | Jan./Dec. | 133.7 | 82.7 | 216.4 | 165.0 | 75.3 | 53.7 | 21.6 |
| United Rep.of Tanzania | June/May | 703.3 | 40.5 | 743.8 | 537.0 | 537.0 | 44.3 | 492.7 |
| **Southern Africa** | | **2 503.7** | **364.3** | **2 868.0** | **3 165.0** | **3 165.0** | **481.8** | **2 683.2** |
| Angola | April/March | 649.2 | 20.7 | 669.9 | 758.0 | 758.0 | 5.8 | 752.2 |
| Lesotho | April/March | 181.3 | 10.1 | 191.4 | 226.1 | 226.1 | 24.2 | 201.9 |
| Madagascar | April/March | 227.4 | 34.3 | 261.7 | 348.5 | 348.5 | 60.3 | 288.2 |
| Malawi | April/March | 161.4 | 63.0 | 224.4 | 174.8 | 174.8 | 56.8 | 118.0 |
| Mozambique | April/March | 779.5 | 104.0 | 883.5 | 745.6 | 745.6 | 62.1 | 683.5 |
| Swaziland | May/April | 122.1 | 5.9 | 128.0 | 145.3 | 145.3 | 17.2 | 128.1 |
| Zambia | May/April | 55.8 | 28.1 | 83.9 | 64.9 | 64.9 | 4.4 | 60.5 |
| Zimbabwe | April/March | 327.0 | 98.2 | 425.2 | 701.8 | 701.8 | 251.0 | 450.8 |
| **Western Africa** | | **9 986.2** | **437.6** | **10 423.8** | **9 961.5** | **4 120.7** | **272.0** | **3 848.7** |
| ***Coastal Countries*** | | ***7 662.9*** | ***135.1*** | ***7 798.0*** | ***7 741.6*** | ***2 941.2*** | ***63.4*** | ***2 877.8*** |
| Benin | Jan./Dec. | 102.5 | 0.3 | 102.8 | 79.0 | 71.2 | 1.4 | 69.8 |
| Côte d'Ivoire | Jan./Dec. | 1 137.2 | 17.4 | 1 154.6 | 1 155.0 | 724.0 | 6.8 | 717.2 |
| Ghana | Jan./Dec. | 832.3 | 35.0 | 867.3 | 875.0 | 254.9 | 10.7 | 244.2 |
| Guinea | Jan./Dec. | 507.7 | 14.8 | 522.5 | 487.4 | 238.8 | 13.9 | 224.9 |
| Liberia | Jan./Dec. | 204.6 | 38.1 | 242.7 | 240.0 | 75.0 | 21.9 | 53.1 |
| Nigeria | Jan./Dec. | 4 680.0 | 0.0 | 4 680.0 | 4 680.0 | 1 414.3 | 0.0 | 1 414.3 |
| Sierra Leone | Jan./Dec. | 115.9 | 28.8 | 144.7 | 139.0 | 90.8 | 6.5 | 84.3 |
| Togo | Jan./Dec. | 82.7 | 0.7 | 83.4 | 86.2 | 72.2 | 2.2 | 70.0 |
| ***Sahelian Countries*** | | ***2 323.3*** | ***302.5*** | ***2 625.8*** | ***2 219.9*** | ***1 179.5*** | ***208.6*** | ***970.9*** |
| Burkina faso | Nov./Oct. | 248.4 | 25.9 | 274.3 | 254.0 | 47.2 | 19.5 | 27.7 |
| Cape Verde | Nov./Oct. | 65.1 | 8.7 | 73.8 | 63.6 | 36.8 | 7.7 | 29.1 |
| Chad | Nov./Oct. | 65.5 | 72.9 | 138.4 | 132.3 | 82.6 | 67.1 | 15.5 |
| Gambia | Nov./Oct. | 92.8 | 9.6 | 102.4 | 99.5 | 41.9 | 2.0 | 39.9 |
| Guinea-Bissau | Nov./Oct. | 95.4 | 8.4 | 103.8 | 85.9 | 8.4 | 4.2 | 4.2 |
| Mali | Nov./Oct. | 326.9 | 46.6 | 373.5 | 239.2 | 48.0 | 8.0 | 40.0 |
| Mauritania | Nov./Oct. | 318.4 | 33.7 | 352.1 | 296.9 | 244.1 | 43.9 | 200.2 |
| Niger | Nov./Oct. | 204.1 | 83.1 | 287.2 | 231.7 | 59.3 | 41.3 | 18.0 |
| Senegal | Nov./Oct. | 906.7 | 13.6 | 920.3 | 816.8 | 611.2 | 14.9 | 596.3 |
| **Central Africa** | | **1 550.8** | **110.4** | **1 661.2** | **1 625.8** | **536.7** | **52.8** | **483.9** |
| Cameroon | Jan./Dec. | 614.6 | 1.6 | 616.2 | 545.0 | 271.1 | 1.5 | 269.6 |
| Cent.Afr.Rep. | Jan./Dec. | 38.2 | 22.9 | 61.1 | 50.8 | 19.5 | 12.8 | 6.7 |
| Congo | Jan./Dec. | 309.9 | 7.1 | 317.0 | 317.0 | 59.9 | 1.8 | 58.1 |
| Dem.Rep.of the Congo | Jan./Dec. | 549.7 | 77.3 | 627.0 | 675.0 | 177.7 | 36.7 | 141.0 |
| Equatorial Guinea | Jan./Dec. | 23.7 | 0.0 | 23.7 | 24.0 | 4.4 | 0.0 | 4.4 |
| Sao Tome and Principe | Jan./Dec. | 14.7 | 1.5 | 16.2 | 14.0 | 4.1 | 0.0 | 4.1 |

**Table A4b.** Cereal import requirements of Low-Income Food-Deficit Countries[1] , 2007/08 or 2008 estimates (*thousand tonnes*)

| | | 2006/07 or 2007 Actual imports | | | 2007/08 or 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Import position[2] | | |
| | Marketing year | Commercial purchases | Food aid | Total commercial and aid | Total import requirements (excl. re-exports) | Total commercial and aid | Food aid allocated, committed or shipped | Commercial purchases |
| **ASIA** | | **39 757.0** | **1 724.8** | **41 481.8** | **40 684.3** | **37 086.6** | **1 348.9** | **35 737.7** |
| **CIS in Asia** | | **3 166.0** | **451.0** | **3 617.0** | **3 728.0** | **3 728.0** | **35.0** | **3 693.0** |
| Armenia | July/June | 315.0 | 86.0 | 401.0 | 383.0 | 383.0 | 5.0 | 378.0 |
| Azerbaijan | July/June | 1 264.0 | 119.0 | 1 383.0 | 1 320.0 | 1 320.0 | 3.0 | 1 317.0 |
| Georgia | July/June | 890.0 | 95.0 | 985.0 | 826.0 | 826.0 | 8.0 | 818.0 |
| Kyrgyzstan | July/June | 263.0 | 58.0 | 321.0 | 330.0 | 330.0 | 0.0 | 330.0 |
| Tajikistan | July/June | 278.0 | 93.0 | 371.0 | 459.0 | 459.0 | 19.0 | 440.0 |
| Turkmenistan | July/June | 4.0 | 0.0 | 4.0 | 272.0 | 272.0 | 0.0 | 272.0 |
| Uzbekistan | July/June | 152.0 | 0.0 | 152.0 | 138.0 | 138.0 | 0.0 | 138.0 |
| **Far East** | | **26 729.7** | **1 071.9** | **27 801.6** | **25 093.2** | **23 539.0** | **1 138.8** | **22 400.2** |
| Bangladesh | July/June | 2 298.6 | 172.4 | 2 471.0 | 3 330.9 | 3 330.9 | 342.8 | 2 988.1 |
| Bhutan | July/June | 71.6 | 0.4 | 72.0 | 71.0 | 71.0 | 0.0 | 71.0 |
| Cambodia | Jan./Dec. | 30.0 | 10.0 | 40.0 | 40.0 | 5.6 | 5.6 | 0.0 |
| China | July/June | 2 366.0 | 0.0 | 2 366.0 | 1 810.0 | 1 810.0 | 0.0 | 1 810.0 |
| D.P.R. of Korea | Nov./Oct. | 41.2 | 568.6 | 609.8 | 1 660.4 | 796.9 | 674.9 | 122.0 |
| India | April/March | 6 730.0 | 35.3 | 6 765.3 | 2 100.0 | 2 100.0 | 21.6 | 2 078.4 |
| Indonesia | April/March | 8 159.9 | 32.9 | 8 192.8 | 7 745.0 | 7 745.0 | 16.0 | 7 729.0 |
| Lao, P.D.R. | Jan./Dec. | 11.2 | 17.8 | 29.0 | 27.4 | 4.4 | 4.4 | 0.0 |
| Mongolia | Oct./Sept. | 223.7 | 42.6 | 266.3 | 285.0 | 250.8 | 5.0 | 245.8 |
| Nepal | July/June | 212.4 | 7.6 | 220.0 | 190.0 | 190.0 | 16.7 | 173.3 |
| Pakistan | May/April | 97.7 | 65.9 | 163.6 | 1 521.0 | 1 521.0 | 2.1 | 1 518.9 |
| Philippines | July/June | 5 244.8 | 83.0 | 5 327.8 | 5 033.4 | 5 033.4 | 16.9 | 5 016.5 |
| Sri Lanka | Jan./Dec. | 1 182.6 | 35.4 | 1 218.0 | 1 218.1 | 619.0 | 32.8 | 586.2 |
| Timor-Leste | July/June | 60.0 | 0.0 | 60.0 | 61.0 | 61.0 | 0.0 | 61.0 |
| **Near East** | | **9 861.3** | **201.9** | **10 063.2** | **11 863.1** | **9 819.6** | **175.1** | **9 644.5** |
| Afghanistan | July/June | 690.8 | 151.7 | 842.5 | 991.1 | 991.1 | 151.5 | 839.6 |
| Iraq | July/June | 3 822.5 | 7.7 | 3 830.2 | 4 632.0 | 4 632.0 | 9.0 | 4 623.0 |
| Syrian Arab Republic | July/June | 2 471.7 | 8.3 | 2 480.0 | 3 350.0 | 3 350.0 | 11.0 | 3 339.0 |
| Yemen | Jan./Dec. | 2 876.3 | 34.2 | 2 910.5 | 2 890.0 | 846.5 | 3.6 | 842.9 |
| **CENTRAL AMERICA** | | **1 542.9** | **155.5** | **1 698.4** | **1 667.6** | **1 667.6** | **145.0** | **1 522.6** |
| Haiti | July/June | 425.1 | 95.5 | 520.6 | 591.8 | 591.8 | 76.4 | 515.4 |
| Honduras | July/June | 671.7 | 33.1 | 704.8 | 679.8 | 679.8 | 24.7 | 655.1 |
| Nicaragua | July/June | 446.1 | 26.9 | 473.0 | 396.0 | 396.0 | 43.9 | 352.1 |
| **OCEANIA** | | **422.2** | **0.0** | **422.2** | **415.7** | **194.9** | **0.0** | **194.9** |
| Kiribati | Jan./Dec. | 8.7 | 0.0 | 8.7 | 8.7 | 0.0 | 0.0 | 0.0 |
| Papua New Guinea | Jan./Dec. | 364.5 | 0.0 | 364.5 | 358.0 | 194.9 | 0.0 | 194.9 |
| 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 | 0.0 | 0.0 | 0.0 |
| Tuvalu | Jan./Dec. | 1.1 | 0.0 | 1.1 | 1.1 | 0.0 | 0.0 | 0.0 |
| Vanuatu | Jan./Dec. | 12.0 | 0.0 | 12.0 | 12.0 | 0.0 | 0.0 | 0.0 |
| **EUROPE** | | **1 572.0** | **37.0** | **1 609.0** | **1 665.0** | **1 665.0** | **0.0** | **1 665.0** |
| Albania | July/June | 440.0 | 0.0 | 440.0 | 480.0 | 480.0 | 0.0 | 480.0 |
| Belarus | July/June | 576.0 | 0.0 | 576.0 | 361.0 | 361.0 | 0.0 | 361.0 |
| Bosnia and Herzegovina | July/June | 535.0 | 0.0 | 535.0 | 488.0 | 488.0 | 0.0 | 488.0 |
| Moldova | July/June | 21.0 | 37.0 | 58.0 | 336.0 | 336.0 | 0.0 | 336.0 |
| **TOTAL** | | **77 157.1** | **4 221.8** | **81 378.9** | **83 383.9** | **70 714.7** | **3 490.3** | **67 224.4** |

[1] Includes food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 675 in 2005).
[2] Estimates based on information available as of mid-September 2008.

**Table A5.** Cereal Import Requirements of Low-Income Food-Deficit countries[1], 2008/09 estimates (*thousand tonnes*)

| | | 2007/08 Actual imports | | | 2008/09 Import position[2] | | | |
|---|---|---|---|---|---|---|---|---|
| | Marketing year | Commercial purchases | Food aid | Total commercial and aid | Total import requirements (excl. re-exports)[1] | Total commercial and aid | Food aid allocated, committed or shipped | Commercial purchases |
| **AFRICA** | | **22 092.2** | **620.8** | **22 713.0** | **23 057.0** | **3 594.5** | **210.4** | **3 384.1** |
| **Northern Africa** | | **18 501.0** | **0.0** | **18 501.0** | **18 361.0** | **2 781.5** | **0.0** | **2 781.5** |
| Egypt | July/June | 11 930.0 | 0.0 | 11 930.0 | 12 240.0 | 2 453.4 | 0.0 | 2 453.4 |
| Morocco | July/June | 6 571.0 | 0.0 | 6 571.0 | 6 121.0 | 328.1 | 0.0 | 328.1 |
| **Eastern Africa** | | **908.0** | **139.0** | **1 047.0** | **915.0** | **87.3** | **42.5** | **44.8** |
| Somalia | Aug./July | 415.3 | 94.7 | 510.0 | 520.0 | 40.9 | 40.9 | 0.0 |
| United Rep.of Tanzania | June/May | 492.7 | 44.3 | 537.0 | 395.0 | 46.4 | 1.6 | 44.8 |
| **Southern Africa** | | **2 683.2** | **481.8** | **3 165.0** | **3 781.0** | **725.7** | **167.9** | **557.8** |
| Angola | April/March | 752.2 | 5.8 | 758.0 | 762.0 | 5.0 | 0.0 | 5.0 |
| Lesotho | April/March | 201.9 | 24.2 | 226.1 | 220.0 | 58.5 | 0.0 | 58.5 |
| Madagascar | April/March | 288.2 | 60.3 | 348.5 | 390.0 | 11.3 | 2.6 | 8.7 |
| Malawi | April/March | 118.0 | 56.8 | 174.8 | 142.0 | 90.0 | 22.9 | 67.1 |
| Mozambique | April/March | 683.5 | 62.1 | 745.6 | 803.0 | 142.1 | 39.9 | 102.2 |
| Swaziland | May/April | 128.1 | 17.2 | 145.3 | 142.0 | 18.1 | 0.0 | 18.1 |
| Zambia | May/April | 60.5 | 4.4 | 64.9 | 91.0 | 20.7 | 6.6 | 14.1 |
| Zimbabwe | April/March | 450.8 | 251.0 | 701.8 | 1 231.0 | 380.0 | 95.9 | 284.1 |
| **ASIA/NEAR EAST** | | **33 940.8** | **622.6** | **34 563.4** | **35 128.6** | **3 945.4** | **195.9** | **3 749.5** |
| **CIS in Asia** | | **3 693.0** | **35.0** | **3 728.0** | **4 163.0** | **495.9** | **6.6** | **489.3** |
| Armenia | July/June | 378.0 | 5.0 | 383.0 | 355.0 | 53.0 | 0.0 | 53.0 |
| Azerbaijan | July/June | 1 317.0 | 3.0 | 1 320.0 | 1 176.0 | 323.7 | 0.0 | 323.7 |
| Georgia | July/June | 818.0 | 8.0 | 826.0 | 886.0 | 49.1 | 0.7 | 48.4 |
| Kyrgyz Republic | July/June | 330.0 | 0.0 | 330.0 | 316.0 | 5.8 | 0.0 | 5.8 |
| Tajikistan | July/June | 440.0 | 19.0 | 459.0 | 560.0 | 28.8 | 5.9 | 22.9 |
| Turkmenistan | July/June | 272.0 | 0.0 | 272.0 | 610.0 | 0.3 | 0.0 | 0.3 |
| Uzbekistan | July/June | 138.0 | 0.0 | 138.0 | 260.0 | 35.2 | 0.0 | 35.2 |
| **Far East** | | **21 446.2** | **416.1** | **21 862.3** | **18 270.6** | **4 645.9** | **69.7** | **2 185.0** |
| Bangladesh | July/June | 2 988.1 | 342.8 | 3 330.9 | 2 694.2 | 486.1 | 61.6 | 424.5 |
| Bhutan | July/June | 71.0 | 0.0 | 71.0 | 71.0 | 0.0 | 0.0 | 0.0 |
| China | July/June | 1 810.0 | 0.0 | 1 810.0 | 1 317.0 | 108.5 | 0.0 | 108.5 |
| India | April/March | 2 078.4 | 21.6 | 2 100.0 | 1 100.0 | 2 453.4 | 6.7 | 55.5 |
| Indonesia | April/March | 7 729.0 | 16.0 | 7 745.0 | 6 541.4 | 842.5 | 0.0 | 842.5 |
| Nepal | July/June | 173.3 | 16.7 | 190.0 | 240.0 | 1.4 | 1.4 | 0.0 |
| Pakistan | May/April | 1 518.9 | 2.1 | 1 521.0 | 2 021.0 | 496.5 | 0.0 | 496.5 |
| Philippines | July/June | 5 016.5 | 16.9 | 5 033.4 | 4 226.0 | 257.5 | 0.0 | 257.5 |
| Timor-Leste | July/June | 61.0 | 0.0 | 61.0 | 60.0 | 0.0 | 0.0 | 0.0 |
| **Near East** | | **8 801.6** | **171.5** | **8 973.1** | **12 695.0** | **1 194.8** | **119.6** | **1 075.2** |
| Afghanistan | July/June | 839.6 | 151.5 | 991.1 | 2 340.0 | 104.8 | 100.6 | 4.2 |
| Iraq | July/June | 4 623.0 | 9.0 | 4 632.0 | 5 040.0 | 511.0 | 14.7 | 496.3 |
| Syria | July/June | 3 339.0 | 11.0 | 3 350.0 | 5 315.0 | 579.0 | 4.3 | 574.7 |
| **CENTRAL AMERICA** | | **1 522.6** | **145.0** | **1 667.6** | **1 665.0** | **73.7** | **73.7** | **0.0** |
| Haiti | July/June | 515.4 | 76.4 | 591.8 | 625.0 | 61.7 | 61.7 | 0.0 |
| Honduras | July/June | 655.1 | 24.7 | 679.8 | 665.0 | 6.5 | 6.5 | 0.0 |
| Nicaragua | July/June | 352.1 | 43.9 | 396.0 | 375.0 | 5.5 | 5.5 | 0.0 |
| **EUROPE** | | **1 665.0** | **0.0** | **1 665.0** | **1 080.0** | **52.9** | **0.0** | **52.9** |
| Albania | July/June | 480.0 | 0.0 | 480.0 | 480.0 | 18.7 | 0.0 | 18.7 |
| Belarus | July/June | 361.0 | 0.0 | 361.0 | 150.0 | 28.3 | 0.0 | 28.3 |
| Bosnia-Herzegovina | July/June | 488.0 | 0.0 | 488.0 | 400.0 | 0.0 | 0.0 | 0.0 |
| Moldova | July/June | 336.0 | 0.0 | 336.0 | 50.0 | 5.9 | 0.0 | 5.9 |
| **TOTAL** | | **59 220.6** | **1 388.4** | **60 609.0** | **60 930.6** | **7 666.5** | **480.0** | **7 186.5** |

[1] Includes food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 675 in 2005).
[2] Estimates based on information available as of mid-September 2008.

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

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