No. 4 ■ November 2009

Crop Prospects and Food Situation

HIGHLIGHTS

- **FAO's latest forecast confirms a good 2009 world cereal production**, slightly below last year's record level, which coupled with large carryover stocks from the previous season have resulted in ample market supplies.
- **In the group of 77 Low-Income Food-Deficit countries the 2009 aggregate cereal production is forecast marginally below last year's record level**. A sharp reduction in India's rice crop is anticipated but generally good crops are estimated elsewhere.
- **International prices of wheat and maize, which had returned to normal levels by September, strengthened in October**. Rice export prices continued to decline from the 2008 peak but remain well above pre-crisis levels.
- **In LIFDCs food prices remain, in general, significantly higher than in the pre-food price crisis period of two years earlier**, which continues to give rise to concern for the food security of vulnerable populations.
- **The ongoing weak to moderate El Niño will likely continue through the end of the year and into early 2010**. The situation needs to be closely monitored particularly in regions prone to be affected by the event such as Latin America and Southern Africa.
- **Hurricane Ida in early November resulted in heavy rains, floods and landslides in Central America** previously affected by El Niño related drought. Loss of life, population displacement and damage to infrastructure and agriculture are reported in El Salvador and Nicaragua.
- **Despite a satisfactory global cereal supply situation, 31 countries around the world require external assistance because of critical food insecurity**. Of particular concern is the **Eastern Africa** subregion where more than 20 million people are estimated to be in need of emergency food assistance due to poor rainfall in parts, coupled with escalating conflicts and displacements, particularly in **Somalia**, **Kenya** and **Ethiopia**.

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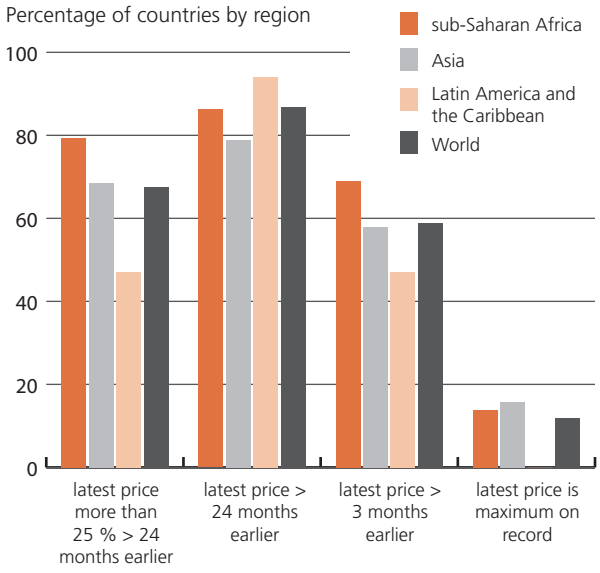
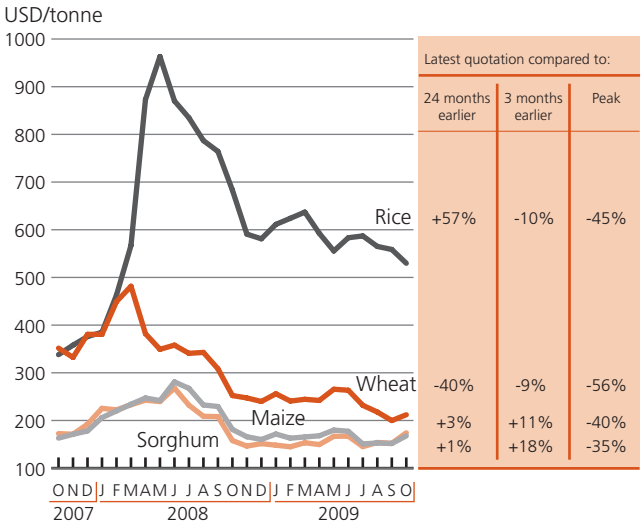
Percentage of countries[1] where latest cereal price quotations are higher than specified period or the maximum on record



Selected international cereal prices: latest quotations[2] compared to specified period or the peak

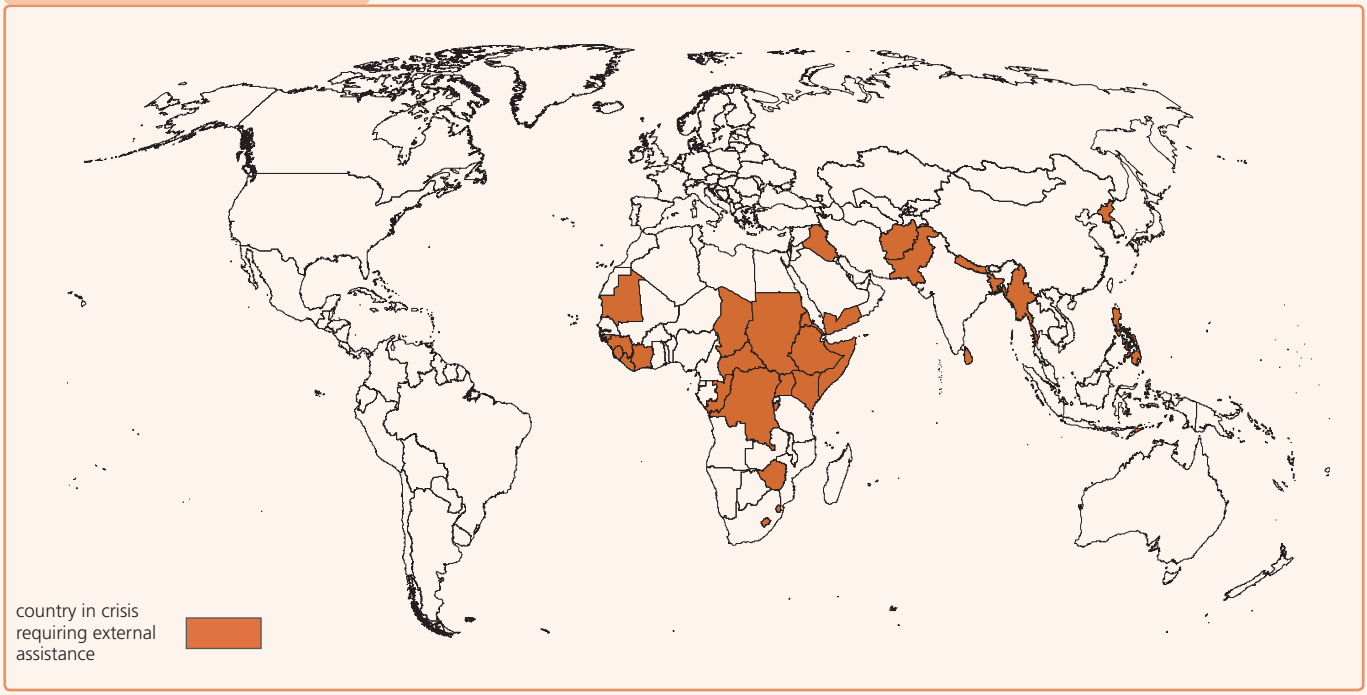


	Latest quotation compared to:		
	24 months earlier	3 months earlier	Peak
Rice	+57%	-10%	-45%
Wheat	-40%	-9%	-56%
Maize	+3%	+11%	-40%
Sorghum	+1%	+18%	-35%

[1] Refers to countries for which data exists in the FAO/GIEWS National Food Price database. [2] Prices refer to monthly average.

Countries in crisis requiring external assistance[1]

World: 31 countries



Country/Nature of food insecurity	Main reason for food insecurity	Change since last report (July 2009)

AFRICA (20 countries)

Exceptional shortfall in aggregate food production/supplies

Kenya	Adverse weather, lingering effects of civil strife	▼
Lesotho	Low productivity, HIV/AIDS pandemic	■
Somalia	Conflict, economic crisis, adverse weather	▼
Swaziland	Low productivity, HIV/AIDS pandemic	▲
Zimbabwe	Problems of economic transition	▲

Widespread lack of access

Eritrea	Adverse weather, IDPs, economic constraints	■
Liberia	War related damage	■
Mauritania	Several years of drought	■
Sierra Leone	War related damage	■

Severe localized food insecurity

Burundi	IDPs and returnees	▲
Central African Republic	Refugees, insecurity in parts	■
Chad	Refugees, conflict, inadequate rainfall	▼
Congo	IDPs	■
Côte d'Ivoire	Conflict related damage	■
Dem. Rep. of Congo	Civil strife, returnees	■
Ethiopia	Adverse weather, insecurity in parts	▼
Guinea	Refugees, conflict related damage	■
Guinea-Bissau	Localized insecurity	■
Sudan	Civil strife (Darfur), insecurity (southern Sudan), localized crop failure	■
Uganda	Localized crop failure, insecurity	■

ASIA/NEAR EAST (11 countries)

Exceptional shortfall in aggregate food production/supplies

Iraq	Conflict and inadequate rainfall	■

Widespread lack of access

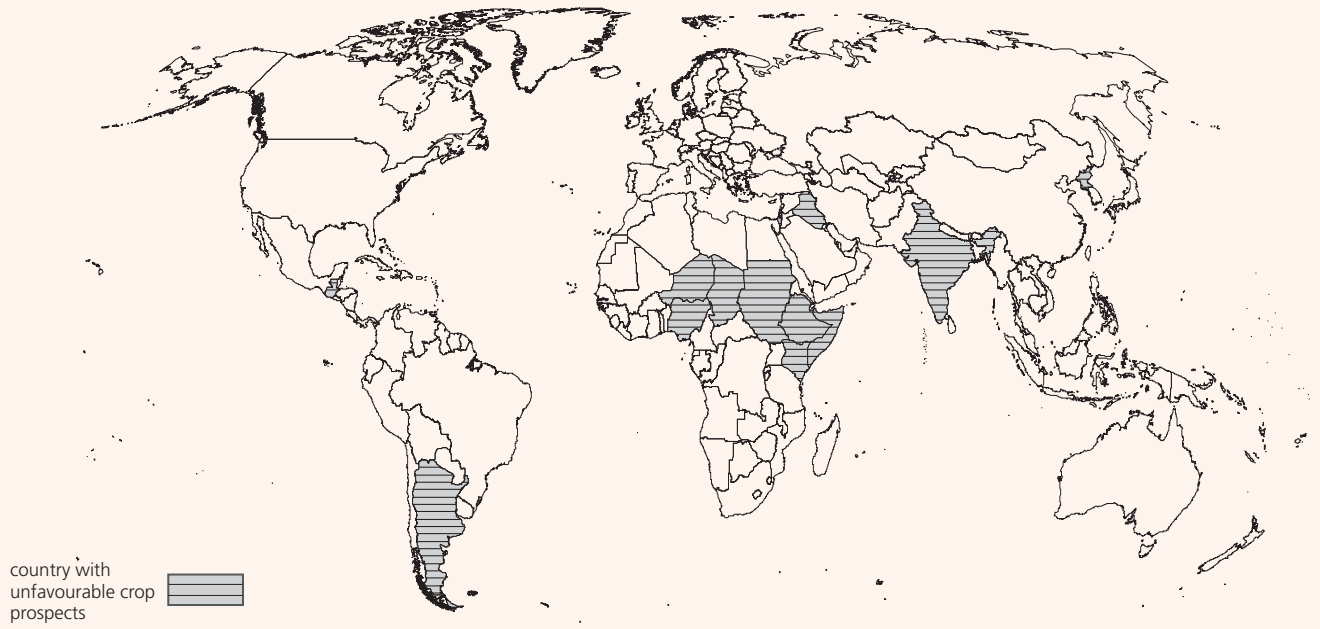
Afghanistan	Conflict and insecurity	■
DPR Korea	Economic constraints	■

Severe localized food insecurity

Bangladesh	Cyclones	■
Myanmar	Past cyclone	▲
Nepal	Poor market access, floods/landslides	■
Pakistan	Conflict, IDPs	▼
Philippines	Tropical storm	✚
Sri Lanka	IDPs, post-conflict reconstruction	▲
Timor-Leste	IDPs	■
Yemen	Conflict, IDPs	✚

Countries with unfavourable prospects for current crops[2]

World: 13 countries



Country	Main reason for unfavourable prospects	Change since last report (July 2009)
AFRICA (7 countries)		
Chad	Inadequate rainfall	✚
Ethiopia	Late onset of belg rains	■
Kenya	Inadequate rainfall	■
Niger	Inadequate rainfall	✚
Nigeria	Inadequate rainfall	▼
Somalia	Inadequate rainfall	■
Sudan	Late onset of main season rains	■
ASIA/NEAR EAST (4 countries)		
DPR Korea	Inadequate inputs	✚
India	Poor monsoon rainfall	▲
Iraq	Inadequate rainfall	✚
Israel	Inadequate rainfall	✚
LATIN AMERICA AND THE CARIBBEAN (2 countries)		
Argentina	Inadequate rainfall in key farming areas	■
Guatemala	Localized severe food insecurity	✚

Key to tables

No change ■ Improving ▲ Deteriorating ▼ New Entry ✚

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**, delayed rains, several dry spells and floods have reduced 2009 crop production, notably in northern parts of **Nigeria**, southern parts of **Niger** and **Chad**, which may have a significant impact on regional cereal markets and lead to renewed price increases. Pastures were also affected in these countries. In **Niger**, large segments of the population will be at risk of food shortages in 2010 and will require assistance as production of cowpea, the main source of income for farmers, is also forecast to be very poor. Safety net interventions, such as targeted distribution, sales at subsidized prices, food for work or cash for work activities, will be required during next year lean season, with quantities depending on the extent of food supply and pasture deficits in specific areas.

In **Eastern Africa**, more than 20 million people are in need of emergency food assistance due to the negative impact on crops and pastures of several consecutive seasons with inadequate rainfall, coupled with escalating conflicts and displacements. In **Somalia**, the persistent civil conflict continues to negatively impact the food security situation as well as disrupt the distribution of essential food aid. Poor rains during the 2009 main "gu" season have worsened crops and livestock conditions in Central regions, parts of the South and in the northwest regions of Hiran, Galgadud, Mudug, Nugal, Sool, Sanaag and Togdheer. The population in need of emergency food and non-food assistance, at least until December 2009, is estimated at 3.6 million people, nearly about 50 percent of total population. In **Kenya**, about 3.8 million people are estimated to be highly or extremely food insecure, mainly located in pastoral and marginal agricultural areas. Current levels of food insecurity are driven by the cumulative affects of several factors, such as four to five seasons with inadequate rainfall, the lingering impacts of 2008 poor harvest, high food prices and escalating conflicts for grazing resources, which were all highly detrimental to households' resilience. In **Eritrea**, the late start of the main season "kremti" rains has lowered expectations for a good harvest and has affected also pasture and forage availability especially in North and South Red Sea regions. In **Ethiopia**, late, erratic and below average "kremti" rains have affected planted area of 2009 meher long cycle crops as maize and sorghum and reduced availability of pastures in many parts of the country. In October, the number of people requiring relief food assistance was raised to 6.2 million compared to 5.3 million in May. In **Sudan**, the continuation of civil conflict in southern Sudan and Darfur is worsening the dire food security situation already faced by millions. Some 5.9 million people are estimated in need of food assistance in the whole country, with food aid distributions targeting 3.8 million conflict-affected people in Darfur alone. In **Uganda**, as a consequence of successive periods of drought and civil insecurity, approximately 1.1 million people require food assistance in Karamoja.

In **Southern Africa**, despite a generally improved food security situation following good harvests earlier in the year (May-June), some pockets of vulnerability and food insecurity persist. In **Zimbabwe,** the joint FAO/WFP Crop and Food Security Assessment Mission (CFSAM) estimated that 2.8 million people in the country require about 228 000 tonnes of food aid for the year ending March 2010. The total national food deficit to be met by imports is approximately 20 percent of the national consumption requirement. Despite improved cereal harvests in **Malawi**, **Mozambique** and **Madagascar,** localised areas in the southern regions in all three countries continue to experience limited food access and availability, primarily due to drought conditions during the agricultural season. In **Swaziland** and **Lesotho** the Vulnerability Assessment Committees estimated that a total of 256 000 and 450 000 people respectively, are facing food difficulties. The current global economic downturn has also affected remittance transfers from South Africa, which could intensify the food insecurity situation for recipient households. Some 30 000 nationals of **Angola** were expelled from the Democratic Republic of Congo in October and are in need of emergency assistance.

In the **Great Lakes** region, the continued uncertain security situation in the north-eastern parts of the **Democratic Republic of the Congo** affects large numbers of people who require food and agricultural assistance, with approximately half the population categorised as moderately food insecure. Since September 2008, the continuing conflict has displaced as many as 540 000 people. Nationally, food assistance is provided to more than 1.1 million extremely vulnerable people, with emergency food distributions targeting 154 000 people affected by insecurity in the Orientale province. In **Burundi**, high food prices of basic staples such as cassava flour, beans and maize among others, are negatively affecting large numbers of households, particularly vulnerable households in the north-east that have been affected by successive drought conditions since 2000. WFP's protracted relief and recovery operation is targeting approximately 1 million beneficiaries.

In the **Far East**, recent cyclones, floods and droughts in addition to the continuing conflicts and civil strife affected a large number of people. In the **Philippines,** nearly 2 million people were affected by the tropical storm Ketsana which hit the northern island of Luzon on 26 September 2009 and caused heavy flooding in this main rice producing area. The Government declared "a state of calamity" for 25 provinces of the island and appealed for international assistance. A joint Government/

UN appeal has been launched for 25 800 tonnes of food for 1 million most affected people. In **Myanmar,** the Government and partners recently appealed for USD 103 million to help meet critical recovery needs for last year's cyclone Nargis affected areas. In **Sri Lanka,** security situation has dramatically improved after the end of the 25-year old internal war in May 2009. However, nearly 300 000 refugees are still in the IDP camps. Despite the above-average food supply at the national level, food insecurity exists in the northern and eastern war-affected areas of the country, as the resettlement of IDPs and recovery of the productive systems are moving slowly. High food prices have contributed to food insecurity for the population especially with low incomes. In the **Democratic People's Republic of Korea**, with less than satisfactory harvest from the current main season, chronic food insecurity continues. The FAO/WFP Crop and Food Security Assessment Mission of late 2008 confirmed a significant deterioration in food security in most parts of the country. The poor, especially those living in urban areas, continue to be affected by soaring food prices. Although the overall food supply situation in **Pakistan** is satisfactory, the serious insecurity in the Federally Administered Tribal Areas and the North West Frontier Province has triggered a significant displacement making up to 2 million IDPs food insecure since August 2008. In **Nepal,** following the high wheat crop losses, food security in many parts of the country has deteriorated. Reportedly, up to 2.7 million people have been affected by the winter drought, high food prices and other natural disasters, such as floods and landslides. In **Bangladesh,** localized food supply and market access difficulties persist**.** Cyclone Aila hit parts of coastal Bangladesh on 25 May 2009, triggering tidal surges and floods affecting about 4 million people. The food security situation of vulnerable groups has been further adversely affected by soaring food prices.

In the **Near East**, the food security situation is worsening in the northern Governorates of Sa'ada and Amran in **Yemen** where, due to the escalating conflict, the number of IDPs increased from 100 000 to 150 000 people in the last three months. An already approved WFP Emergency Operation has been recently revised in order to increase the number of beneficiaries, providing an additional 22 000 tonnes of food, and extending its working period until June 2010. In **Afghanistan,** with a bumper wheat harvest gathered in May-June, food supply conditions have improved significantly. However, food insecurity remains widespread in the country given the long-standing and continuing conflicts, which have resulted in loss of incomes and assets over past several years. WFP's Protracted Relief and Recovery Operation was launched with appeal for some 318 000 tonnes of food for about 8.8 million beneficiaries during 2009.

In the **Central America and the Caribbean** subregion, some southern departments of **Guatemala** were affected by a particularly long summer dry spell which affected the livelihoods of small farmers in the region of the Oriente dry corridor. The region comprises the eight departments of Baja Verapaz, El Progreso, Zacapa, Chiquimula, Jutiapa, Santa Rosa, Jalapa and Quiché, where most of the severely degraded lands lie. A joint FAO/WFP CFSAM is scheduled to start in early November to assess the aggregate food availability, production and the access to food of drought-affected populations. Heavy precipitations in early November have reversed the drought situation. Tropical storm Ida which was upgraded to a hurricane, hit the Caribbean coast of Nicaragua and then El Salvador, causing heavy rains, landslides and overflowing rivers. Loss of life, population displacement and damage to housing infrastructure and agriculture are reported. Logistic difficulties hamper access to affected population.

Global cereal supply and demand brief

Recovery in world cereal supply leads to lower international prices and import bills

Following improved global crop prospects since the previous report in July, the FAO's forecast for world cereal production in 2009 has been raised by nearly 26 million tonnes. This puts this year's production only 2 percent below the record achieved in 2008. A combination of a good outlook for production and relatively high carryover stocks from the previous season lessen the concern regarding the overall supply situation at least for the current season. While world cereal utilization in 2009/10 is expected to grow faster than anticipated earlier, in part due to weaker prices, the expansion would still allow for a small increase in the level of world cereal inventories which, by the close of seasons ending in 2010, are forecast to reach an eight year high. The overall improvement in the global supply and demand balance is also reflected in the ratio of world cereal stocks to utilization, an important indicator for global food security, which is expected to remain nearly unchanged at the previous season's above-average level. Recent developments in export quotations confirm the return of cereal markets to a more normal situation, except for rice, with international prices so far this season averaging 30 percent below their values during the corresponding period last year. The decline in prices coupled with a sharp contraction in world trade from the previous season's record helps in lowering the global cost of imported cereals. In the LIFDCs, where total import volume in 2009/10 is forecast to decline by 13 percent because of bigger crops in many countries, the overall cereal import bill could fall by as much as 27 percent, or USD 8 billion.

PRODUCTION

World cereal production declines slightly in 2009 but remains the second highest on record

FAO's forecast for world **cereal** production in 2009 has been revised upward since the previous report in July, to 2 234 million tonnes (including rice in milled terms), confirming it as the second largest crop ever, and putting it just 2 percent below last year's record. The latest upward revision is mostly on account of the wheat crops turning out larger than earlier forecast in several countries in Asia, Africa and Europe and in the United States, while the forecast of coarse grains in the United States is also much higher than was expected at the time of the previous report, pushing up the world coarse grains total, despite a poorer outlook in Asia and Eastern Africa. The improved outlook for global production of grains more than offset a reduction in the forecast for the 2009 rice output, which reflects poor conditions for the main rice season in some major producing countries in Asia.

Regarding **wheat**, global output in 2009 is now forecast at 678 million tonnes, substantially up from the forecast

Figure 1. World cereal production by type

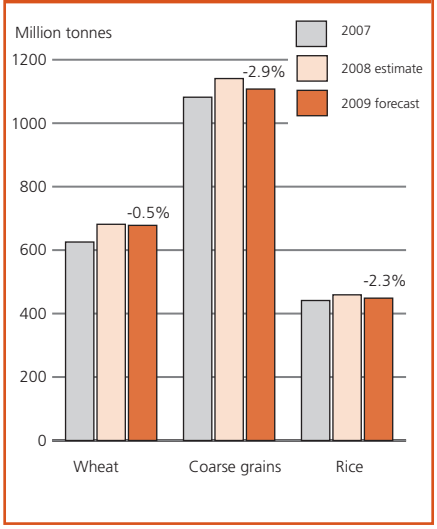


Figure 2. World cereal production and utilization

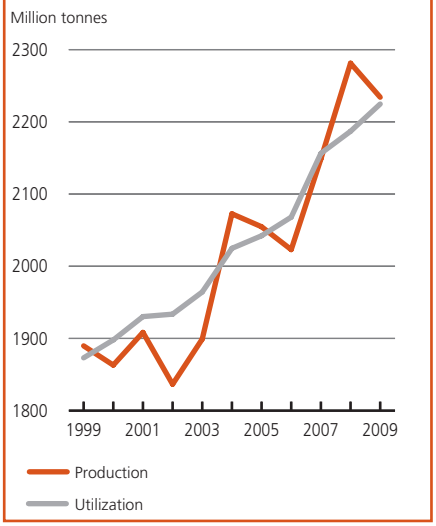
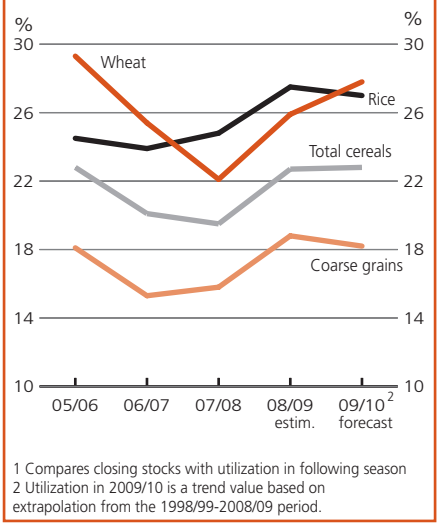


Figure 3. Ratio of world cereal stocks to utilization[1]



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

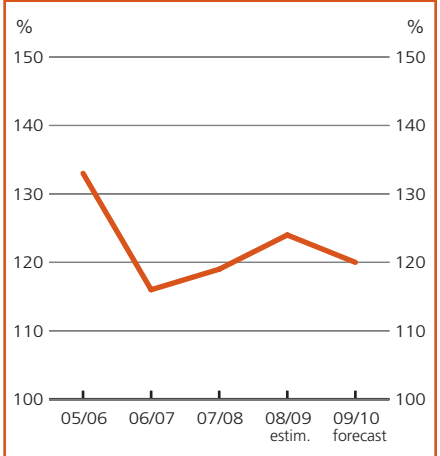
in July, and almost equalling the bumper crop gathered last year. Of the wheat crops already harvested, in Asia, latest estimates now point to a significant (6 percent) increase in production following generally above average yields. In North Africa, harvests also turned out better than predicted in earlier forecasts and this year's crop is now estimated at double last year's reduced level. In North America, the 2009 wheat crop estimate in the United States grew as the season progressed and above-average yields materialized but the final output is nevertheless 11 percent short of last year's large crop. In Europe, better than expected crops in the Russian Federation and Ukraine contributed especially to a recent increase in the 2009 wheat output estimate, although the region's aggregate output would still fall well short of last year's bumper level. In the southern hemisphere, the bulk of the major 2009 wheat crops are yet to be harvested between now and the end of the year. In South America, production is expected to fall a further 4 percent from last year's already poor level, largely as a consequence of the prolonged drought that has affected Argentina since May. By contrast the outlook remains favourable in Brazil. In Oceania, prospects for the wheat crop in Australia remain favourable and the second largest crop since the 2005 record is expected.

In many parts of the northern hemisphere the **winter wheat crops for harvest in 2010** are already in the early stages of development or are 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.

FAO's latest forecast for world production of **coarse grains** in 2009 has been revised upward by almost 15 million tonnes since July and now stands at 1 108 million tonnes, 3 percent down from last year's record, but still the second largest crop in history. The upward revision is virtually all attributed to improved yield prospects for the maize crop in the United States where generally favourable weather lasted throughout the growing season and this year's crop is now forecast well above last year's level and close to the 2007 record. However, the improvement may not be quite as large as expected if current harvest delays due to wet weather persist. Elsewhere in the world, latest information confirms mostly smaller coarse grain harvests than last year, the only exceptions being the Near East in Asia and North Africa, where production has recovered from the reduced level of last year.

The outlook for global **rice** production in 2009 has deteriorated since July, following weather anomalies and natural disasters in several countries in Asia.

Figure 4. Ratio of major grain exporters supplies to normal market requirements[1]



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

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

	2007	2008 estimate	2009 forecast	Change: 2009 over 2008 (%)
Asia	**956.1**	**970.8**	**969.8**	**-0.1**
Far East	852.5	884.3	869.2	-1.7
Near East in Asia	69.6	54.4	66.3	21.8
CIS in Asia	33.8	32.0	34.2	6.9
Africa	**132.9**	**147.9**	**155.5**	**5.1**
North Africa	28.5	30.2	39.7	31.2
Western Africa	46.4	54.0	52.8	-2.2
Central Africa	3.2	3.3	3.3	1.4
Eastern Africa	32.6	32.6	30.5	-6.3
Southern Africa	22.2	27.8	29.1	4.6
Central America & Caribbean	**39.2**	**41.7**	**40.4**	**-3.3**
South America	**131.9**	**134.7**	**116.8**	**-13.3**
North America	**461.1**	**457.0**	**461.1**	**0.9**
Europe	**404.7**	**495.3**	**455.6**	**-8.0**
EU	260.1	315.4	292.2	-7.4
CIS in Europe	130.0	161.6	145.4	-10.0
Oceania	**24.0**	**35.1**	**36.2**	**3.0**
World	**2 148.6**	**2 281.2**	**2 234.1**	**-2.1**
Developing countries	**1 207.4**	**1 238.2**	**1 224.5**	**-1.1**
Developed countries	**941.2**	**1 043.0**	**1 009.6**	**-3.2**
- wheat	625.5	681.4	678.0	-0.5
- coarse grains	1 081.9	1 140.7	1 107.6	-2.9
- rice (milled)	441.2	459.1	448.6	-2.3

[1]Includes rice in milled terms.
Note: Totals computed from unrounded data.

Based on latest information, the 2009 global paddy production is forecast at 672 million tonnes (449 million tonnes, milled basis), which would represent a 2.3 percent contraction from the record 688 million tonnes (459 million tonnes, milled basis) harvested in 2008. Among the countries worst affected by adverse conditions is major rice producer, India, hit first by poor monsoon rains and then by floods. Elsewhere, earthquakes, cyclones, landslides or flooding have impaired crop development in the Chinese Province of Taiwan, Japan, Nepal, Pakistan and the Philippines. However some of these countries may recoup the losses by increasing the secondary crops just being planted. By contrast, the outlook remains generally favourable for Bangladesh, Cambodia, China, Malaysia, Myanmar, Thailand and Viet Nam.

Outside of Asia, Egypt may also face a significant drop in this year's rice crop, largely in response to government efforts to cut the area under rice as a water-saving measure. In Africa, although not all countries are expected to reproduce last season's excellent results, substantial gains are anticipated in Madagascar, Mali, Mozambique and Nigeria. In Latin America and the Caribbean, production estimates point to a 4 percent increase this season, sustained mainly by Argentina, Brazil, Colombia and Peru. In Europe, prospects are favourable for the EU and the Russian Federation. Although production in Australia also rose this season, drought continues to restrain it to a fraction of what it was at the beginning of the decade.

UTILIZATION

Improved supply and declining prices boost world cereal utilization

The forecast for world cereal utilization in 2009/10 has been raised by 8 million tonnes since the previous report in July, to 2 225 million tonnes. This puts the expected total utilization in 2009/10 at some 1.2 percent above the 10-year trend and 1.7 percent higher than the previous season. Improved global supply combined with generally lower prices in international markets are expected to contribute to stronger growth in world cereal utilization this season. World food consumption of cereals, representing almost 47 percent of total cereal utilization, is forecast to keep pace with the population growth and reach 1 044 million tonnes. Globally, this translates into 153kg consumption per person per year, up slightly from the previous season. In the Low-Income Food-Deficit Countries (LIFDCs), where consumption had declined markedly in 2007/08, the average anticipated per caput consumption of cereals in

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

	2007/08	2008/09	2009/10	Change: 2009/10 over 2008/09 (%)
PRODUCTION[1]				
Wheat	625.5	681.4	678.0	-0.5
Coarse grains	1 081.9	1 140.7	1 107.6	-2.9
Rice (milled)	441.2	459.1	448.6	-2.3
All cereals	**2 148.6**	**2 281.2**	**2 234.1**	**-2.1**
Developing countries	1 207.4	1 238.2	1 224.5	-1.1
Developed countries	941.2	1 043.0	1 009.6	-3.2
TRADE[2]				
Wheat	112.1	139.1	115.5	-17.0
Coarse grains	130.8	113.7	112.0	-1.5
Rice	30.1	30.5	30.6	0.5
All cereals	**273.0**	**283.2**	**258.1**	**-8.9**
Developing countries	85.2	73.1	63.9	-12.6
Developed countries	187.8	210.2	194.2	-7.6
UTILIZATION				
Wheat	644.9	647.8	665.5	2.7
Coarse grains	1 074.8	1 093.1	1 107.9	1.4
Rice	436.6	446.0	451.3	1.2
All cereals	**2 156.3**	**2 186.9**	**2 224.7**	**1.7**
Developing countries	1 310.7	1 339.0	1 358.0	1.4
Developed countries	845.6	847.8	866.7	2.2
Per caput cereal food use *(kg per year)*	*151.7*	*152.4*	*152.7*	*0.2*
STOCKS[3]				
Wheat	143.3	172.3	182.8	6.1
- main exporters[4]	29.2	47.2	52.2	10.5
Coarse grains	172.6	208.7	205.0	-1.8
- main exporters[4]	69.0	80.1	77.8	-2.9
Rice	110.8	124.1	121.3	-2.2
- main exporters[4]	26.5	32.1	22.4	-30.0
All cereals	**426.7**	**505.2**	**509.1**	**0.8**
Developing countries	306.1	340.7	339.2	-0.4
Developed countries	120.6	164.4	169.9	3.3

[1] Data refer to calendar year of the first year shown.
[2] For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown.
[3] Data are based on an aggregate of carryovers level at the end of national crop years and, therefore, do not represent world stock levels at any point in time.
[4] The major wheat and coarse grain exporters are Argentina, Australia, Canada, the EU and the United States. The major rice exporters are India, Pakistan, Thailand, the United States and Viet Nam.

2009/10 is forecast to rise, for a second year running, to over 156kg.

Following a contraction in 2008/09, world **feed utilization** of cereals in 2009/10 is expected to recuperate by 1 percent and approach the 2007/08 level of around 769 million tonnes. The strongest expansion is forecast for the developing countries but slightly higher feed usage is also forecast for the developed countries, mostly of wheat in the EU and the CIS countries. The usage of coarse grains for animal feed, which represents over 80 percent of total cereal feed use, is forecast to reach 631 million tonnes, nearly unchanged from the previous season with feed usage of major coarse grains in the developed countries remaining low after the 3.7 percent contraction witnessed in the previous season. Slack demand from the livestock sector driven by the weak global economy is the main contributing factor behind this development.

Among other uses, the **industrial use** of cereals (mostly for the production of starch, sweeteners and biofuels) is likely to register a relatively strong growth in 2009/10 but given the difficult global economic conditions, the expansion is expected to prove less striking than in recent years. The latest (September) forecast for 2009/10 from the International Grain Council pointed to roughly a 14 percent increase in the use of cereals for production of **ethanol** (including non-fuel uses) to 135.8 million tonnes. This compares to the 23 percent growth registered in the previous season and 33 percent expansion in 2007/08. Maize accounts for the bulk of the total cereals used for manufacturing of ethanol. According to the USDA, the use of maize for ethanol production in the United States is forecast to approach 107 million tonnes in 2009/10, up 14 percent, or 13 million tonnes, from 2008/09. In view of generally lower maize prices and firmer crude oil markets, demand from the ethanol sector has remained robust so far this season.

STOCKS

Global cereal stocks highest in seven years

Based on the latest estimates of **cereal** production in 2009 and the anticipated utilization in 2009/10, world cereal stocks by the close of seasons ending in 2010 is forecast to reach 509 million tonnes, the highest level since 2002. This forecast is around 4 million tonnes higher than in the previous season mostly on account of a continuing increase in wheat stocks. At the current forecast level, the ratio of world cereal stocks to utilization, an important indicator for global food security, is expected to approach 23 percent, nearly unchanged from the previous season's level and slightly higher than its 5-year average.

Given the expectation of a near record **wheat** production, global wheat inventories are forecast to reach 183 million tonnes, 6 percent above their already high opening levels and the largest since 2003. Most of the anticipated increase in wheat stocks is expected in China, Kazakhstan, Ukraine and the United States. Total inventories held by the major exporters are forecast to reach 52 million tonnes, up 10 percent, or 5 million tonnes, from the previous season and the highest since 2006. As a result, closing stocks of major exporters as a percentage of their total disappearance (defined as domestic utilization plus exports), another important indicator for global food security, are expected to rise to 20.4 percent, nearly 3 percent more than in the previous season and the highest in four years. This ratio hit the near historical low of less than 12 percent in the soaring price season of 2007/08.

On the basis of latest forecasts for production and utilization, global inventories of **coarse grains** for crop years ending in 2010 are forecast to reach 205 million tonnes, down 1.8 percent from their high opening levels and still the second largest since 2001. In spite of a sharp decline in world production of coarse grains, the anticipated slower growth in total utilization is seen to limit larger drawdowns of inventories. For major exporters, ending stocks are forecast to reach 78 million tonnes, down 2 million tonnes from their opening levels but carryovers in the United States are likely to remain unchanged at around 47 million tonnes. The lower anticipated inventories in major exporters are partly offset by increases in North Africa and several Asian countries. At the current forecast level, the ratio of major exporters' stocks to their total disappearance, could decline slightly, to 13.8 percent, which would, however, be almost 2 percent points higher than its low in 2007/08.

Given the anticipated decline in 2009 production, world **rice** reserves in 2010 are anticipated to contract to 121 million tonnes, 2 percent below their opening levels. This would still be a comfortable level equivalent to 27 percent of utilization in 2010, slightly below this year. However, because much of the stock decline is anticipated to be concentrated in the five major exporting countries, the stocks-to-disappearance ratio of this group of countries may severely deteriorate, falling from 20 percent in 2009 to some 14 percent in 2010, which would be the lowest witnessed since 2005.

TRADE

Sharp downturn in world cereal trade in 2009/10

World **cereal** trade in 2009/10 is forecast to reach 258 million tonnes, down 9 percent, or 25 million tonnes, from the record 283 million tonnes (revised) in 2008/09.

The anticipated sharp contraction in world cereal trade in 2009/10 is largely due to the expected fall in **wheat** trade following bumper crops in North Africa and good production also in several wheat importing countries of Asia. Global wheat trade is forecast at 115.5 million tonnes, down 17 percent, or 23.6 million tonnes, from the previous season's record. In Asia,

the largest decline in imports is expected in the Islamic Republic of Iran where, as a result of a partial recovery from last year's severe drought, imports in 2009/10 are forecast to fall by over 60 percent although they will still exceed the average of the past 5 years. Wheat imports by Pakistan are forecast to be halved as a result of a record crop this year. Sharply lower wheat imports are also anticipated for Bangladesh and Turkey. In Africa, imports by Morocco are forecast to be halved thanks to a record crop. Smaller imports are also envisaged for Algeria, Egypt, and Tunisia. Imports by most countries in Latin America and the Caribbean are expected to remain unchanged from the previous season but in Europe purchases by the EU are expected to decline. Reflecting the fall in world import demand, total wheat exports from the five major exporters are forecast to decline by almost 17 million tonnes. Exports from the EU are expected to drop significantly, by almost 7 million tonnes, in part due to the strong Euro, which lowers its export competitiveness, but also lower world demand in general. Wheat shipments from Argentina are forecast to decline by at least 6 million tonnes. In view of a continuing tight domestic market situation, exports from Argentina will be limited and subject to government approval. Total exports from the CIS countries could reach 30 million tonnes, down almost 20 percent from the previous season's peak. Sharp decreases in shipments from Ukraine and, to lesser extent, the Russian Federation, are likely to more than offset a small increase in exports expected from Kazakhstan.

International trade in **coarse grains** in 2009/10 is forecast to reach 112 million tonnes, down slightly (1.5 percent) from the estimated trade level in 2008/09 but well bellow the record of nearly 131 million tonnes in 2007/08. Lower world production is expected to keep imports close to previous season's level with limited potential for higher imports given the above-average harvests in several importing countries as well as the difficult economic conditions weighing on livestock demand which consequently slows down feed usage in some cases.

Based on the current trade prospects for 2009/10, among the major exporters, only shipments from the United States are forecast to increase significantly while exports from Australia, Canada and the EU are likely to remain steady at the previous season's level. Sales from Argentina could drop sharply because of supply shortfalls caused by production setback. Lower exports are also anticipated in the Russia Federation (for barley) and Ukraine (for maize), mostly due to smaller crops this year.

Early forecast for **rice** trade in 2010, at 30.6 million tonnes, point to a slight increase from the current estimate for 2009. Exports may rebound in China and Thailand, amid abundant supplies, largely at the expense of India, which is expected to keep its tight restrictions on external sales, as well as Pakistan and Viet Nam. Shipments from Egypt, Brazil and Uruguay could also fall. As for world imports, the anticipated increase is expected to stem from larger deliveries to Nepal, the Philippines and to countries in the Near East, which would more than compensate for a cut in imports by Bangladesh, Indonesia, but also by Thailand and Viet Nam, which, in recent years, have been taking much rice from neighbouring Cambodia. Imports by the other major rice importers are anticipated to change little.

Cereal import bills decline for the second consecutive season

Based on the latest cereal import forecasts and international price and freight developments, the world cereal import bill is expected to reach USD 64 billion in 2009/10, down 24 percent from the previous season. The total cereal import bill of the LIFDCs, as a group, is expected to decline sharply for the second consecutive season, to roughly USD 22 billion, down 27 percent or USD 8 billion from the previous season and as much as 42 percent below its all-time high in 2007/08. This season's anticipated decline reflects a reduction in the volume of imports coupled with lower international prices. In terms of volume, total cereal imports by LIFDCs in 2009/10 are forecast at 82 million tonnes, down 13 percent from the previous season. The decline in international prices is the major factor behind the expected reduction in cereal imports bills of the LIFDCs. The FAO cereal price index averaged 225 points in 2007/08 but fell to 196 points in 2008/09 and 163 points so far (July-October average) in 2009/10, down 17 percent from 2008/09 and 30 percent from the 2007/08 high price season.

International prices relatively lower in spite of some increases in October

International **wheat** prices rose in October following declines for four consecutive months. The increase in October was mostly driven by outside market developments, including a weakening US dollar and increases in maize prices. Weather concerns and the latest Crop Progress report from the United States pointing to below-average winter wheat planting also provided some support. The US wheat price (No.2 Hard Red Winter) averaged USD 212 per tonne in October, up 6 percent from the previous month but down 9 percent from the beginning of the season in July. Wheat export prices have fallen by 56 percent from their peaks in March 2008.

International **maize** prices have also declined sharply this season, reflecting a generally good supply outlook amid weaker demand for feed and industrial usage. In October, prices rose sharply in part reflecting unfavourable weather conditions hampering harvesting in the United States. The strong rally in oil prices and continued slide in the US dollar also provided support. The US maize price (No. 2 Yellow, Gulf) averaged USD 168 per tonne, representing a gain of 11 percent

from September. However, maize prices are down 40 percent from their peaks in June 2008.

World **rice** prices have been weakening for the last six months, a tendency that was reflected in the FAO All Rice Price Index (2002-2004=100), which average 230 over the first three weeks of October, down from 251 in July and August and 232 in September. Since July 2009, prices fell by 8 percent on average, with a more pronounced fall of 15 percent witnessed on the Japonica rice market. However, prices remain high if compared with the pre-2008 crisis levels: for instance, the benchmark Thai white rice 100%B was quoted USD 530 per tonne in October 2009, 22 percent less than in October 2008, but still 57 percent above its October 2007 level.

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

	2008	2009				
	Oct.	June	July	Aug.	Sept.	Oct.
United States						
Wheat [1]	252	263	232	218	200	212
Maize [2]	181	177	151	153	152	168
Sorghum [2]	158	167	145	154	152	174
Argentina [3]						
Wheat	235	228	234	229	208	214
Maize	169	185	164	166	163	175
Thailand [4]						
Rice white [5]	683	583	587	565	559	530
Rice, broken [6]	385	320	322	310	307	301

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

Domestic food prices in developing countries remain high

Earlier this year FAO GIEWS launched the **National basic food prices-data and analysis tool**[1] as part of the **FAO Initiative on Soaring Food Prices (ISFP)** to assist in the monitoring and analysis of domestic food price trends in developing countries. The database is constantly being expanded and improved and it now covers 864 monthly domestic retail/wholesale price series of major foods[2] consumed in 68 developing countries, and international cereal export prices.

An analysis of the data contained in the database as of late October 2009 shows that domestic prices in developing countries remain high and in some cases are still at record levels as compared with the pre-food price crisis of the second half of 2007. Out of the 864 domestic price quotations (nominal, in local currencies) for all food commodities included in the database, the most recent quotation[3] is the same or higher than in the pre-food price crisis period of 24 months earlier in 87 percent of the cases. Moreover, in 63 percent of these cases, the latest quotations are higher than 24 months earlier by more than 25 percent, indicating that even after allowing for inflation over the past two years, basic food prices remain relatively high. In 52 percent of the cases, latest quotations are higher than 3 months earlier, while in 11 percent of the cases, latest price quotations are the highest on record.

By contrast, in international markets, prices of all cereals have fallen back, with the exception of rice, to the levels before the food price crisis and are now well below their peaks of the first-half of 2008.

As compared to the analysis presented in the July issue of this bulletin there has been only a slight improvement in the situation. The number of cases where latest quotations are higher then 24 months earlier has diminished by 7 percent (from 94 to 87 percent) and that for the highest on record has fallen by 2 percent (from 13 to 11 percent). By contrast the number of cases where latest quotations are higher than 3 months earlier has risen by 6 percent (from 46 to 52 percent).

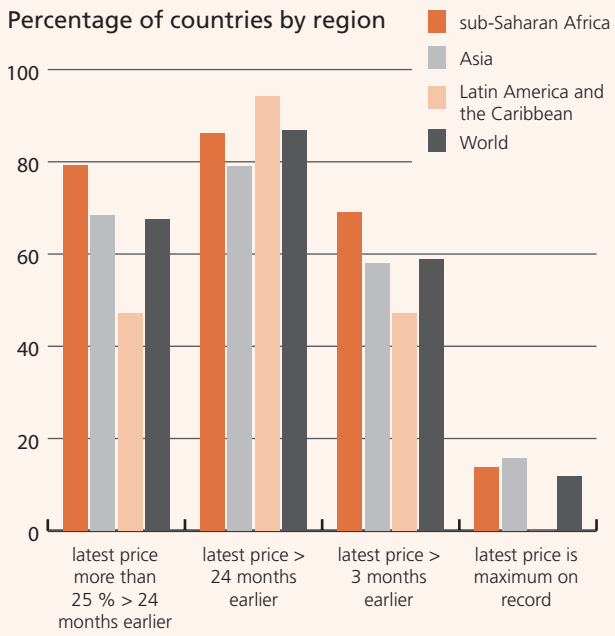
A more detailed analysis by region and main cereals is presented in the figures below. In sub-Saharan countries in Africa in 23 out of the 29 countries covered in the database (or 79 percent), latest cereal prices are more than 25 percent higher than 24 months earlier with rice in particular being higher in all countries covered. In Asia, cereal prices are monitored in 19 countries and in 13 of them (or 68 percent), they remain more than 25 percent higher than in the pre-food crisis period. In the Latin America and Caribbean region where prices are monitored for 17 countries, cereal prices are still more than 25 percent higher than in the pre-food crisis period in 8 of them, or 47 percent of the cases.

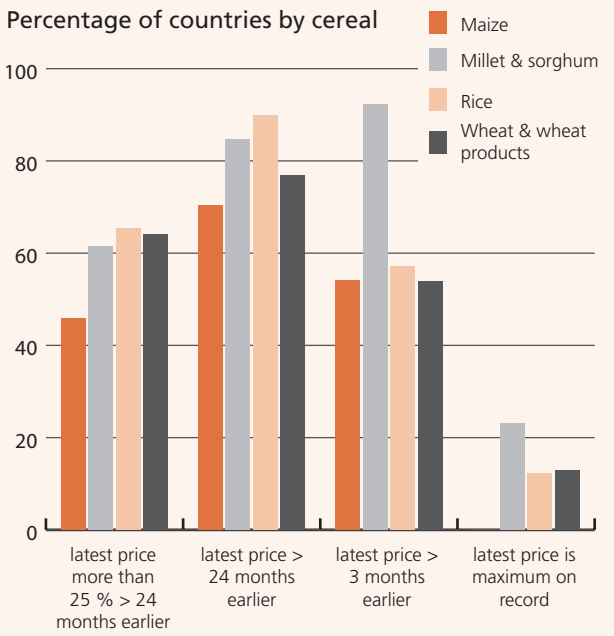
For all the 68 countries covered in the database, prices in about two thirds of the countries are more than 25 percent higher than in the pre-food crisis period for rice, wheat and millet/sorghum and for maize in about half of the countries. Latest cereal prices are higher than 3 months earlier in 40 of the 68 countries covered (or 59 percent of them), with a higher proportion of countries (20 out of 29 countries or 69 percent) in sub-Saharan Africa experiencing this situation.

As indicated earlier, international cereal export prices are much lower, by 35 to 56 percent, than their 2008 peaks and about the same or lower, with the exception of rice, than in the pre-crisis period of early 2007. Latest (October average) maize and sorghum export prices were about the same as of 24 months earlier, while for wheat they were 40 percent lower. By contrast, rice export prices in October were still 51 percent above the pre food-crisis level, mainly reflecting continuing governments' interventions in some major rice exporting countries.

[1]The **"National basic food price – data and analysis tool"** is available on the FAO Website at: www.fao.org/giews/pricetool.
[2]About 70 percent of the quotations in the database are for cereals and cereal products with the remaining 30 percent represented by beans, potatoes, cassava and some animal products.
[3]The most recent price quotation refers, with few exceptions, to the period between July and October 2009.

Percentage of countries in database where latest cereal price quotations are higher than specified period or the maximum on record





El Niño - Southern Oscillation (ENSO) Mild to moderate El Niño conditions in 2009/10

El Niño phenomenon

El Niño is a large-scale substantial warming of surface waters in the central and eastern Equatorial Pacific Ocean, coupled with changes in the atmosphere that affect weather patterns across much of the Pacific Ocean. These changes include: i) a negative value of the Southern Oscillation Index (SOI), ii) the sustained weakening of Trade winds and iii) increased cloudiness over the tropical Pacific. El Niño is the oceanic component, while the Southern Oscillation is the atmospheric one. This combination gives rise to the term ENSO (El Niño Southern Oscillation). El Niño is an irregular event appearing every 2 to 7 years, with different intensity and duration and usually peaks around Christmas, hence the name of the phenomenon: El Niño (Spanish for Christ Child). Maximum strength is usually maintained until February. Important changes in temperatures and precipitation patterns are often noticed during El Niño, having a positive or negative impact on agriculture.

The overall changes in the ocean surface temperatures caused by El Niño also affect marine fisheries, particularly in the eastern Pacific. However, the particular character of the impact differs quite markedly from one event to another, even with similar changes and patterns in the Pacific Ocean. Therefore, no precise quantitative association between the occurrence of El Niño and changes in agricultural production has been established and it is difficult to forecast the impact of El Niño. The impact on agriculture will decisively depend on the relative timing of the El Niño and the crop calendar in a particular region. La Niña refers to the "cold" equivalent of El Niño.

The oldest El Niño recorded dates back to 1578, when torrential rains and floods devastated crops in northern Peru. During the past forty years, ten of these major El Niño events have been verified. El Niño event in 1982/83 resulted in severe flooding and drought in several parts of the world, as well as the decline of a number of fish stocks, and reportedly caused over US$10 billion in weather-related damages. In 1991/92 El Niño resulted in a severe drought in Southern Africa. The last strong El Niño occurred 12 years ago in 1997/98, with drought and floods in several areas of South America and South-East Asia that had severe adverse effects on agricultural production and infrastructure.

El Niño event in 2009/10

This year, since early June, indicators consistent with the development phase of an El Niño phenomenon have been observed. Forecasts by the end of October and overall conditions in the equatorial Pacific indicate a high probability for maintaining weak to moderate El Niño conditions through the end of the year, and to continue until early 2010. Although a strong El Niño phenomenon is not forecast at this stage, and the associated climatic effects in most regions are expected to be weak, these may be, nonetheless, significant at local level (for details see: http://www.fao.org/nr/climpag/cl_ind_3_en.asp).

Possible regional effects on agriculture

In **Southern Africa**, the occurrence of a weak to moderate strength El Niño weather pattern could increase the probability of below normal precipitation during the 2009/10 rainy season (October-March). However, satellite-based rainfall estimates indicate good and well distributed rains in most parts of Southern Africa during October. This has led to favourable ground conditions for planting of the 2009/2010 main cereal crops, particularly in the "maize triangle" of South Africa, which is the major producer in the sub-region. The situation needs to be closely monitored in the coming months as the season has just started.

By contrast in **Eastern African** countries, El Niño conditions are expected to produce above-normal rains in October-March, which are generally favourable for the secondary 2009/10 crop seasons planted in October-November and harvested in February-March. However, these rains may hamper harvesting of the main season cereal crops from October-November. El Niño phenomenon could also result in exceptionally heavy rains and floods in the sub-region negatively affecting food production and livestock conditions as in the strong event of 1997/98. So far, current information indicate above normal, heavy rains in October this year in eastern parts of the sub-region, comprising Ethiopia, Somalia, Djibouti and Kenya. These rains have eased drought conditions in pastoral areas and benefit planting of the secondary crops.

In **Asia**, El Niño conditions are associated with below-average precipitation from October to March in parts of India, Bangladesh, and Myanmar, parts of China and Sri Lanka and heavy rains in parts of Afghanistan, Pakistan and Nepal. As most of the main

season rice crops are harvested from October-November, no major effect is expected in the 2009 rice productions which in aggregate are forecast at around record levels. However, in India, a reduced main season rice crop is forecast due to poor monsoon season during summer months, which some analyst associated also with El Niño. Possible dry weather in coming months could negatively affect the secondary cropping seasons, mainly rice. By contrast, in Pakistan, Afghanistan and Nepal abundant precipitation could benefit the winter seasons wheat and rice crops.

In **Latin America and the Caribbean**, the impacts of El Niño may be significant at regional level. In **Central America**, El Niño usually leads to below normal precipitation in parts and fewer or less intense hurricanes during the Atlantic hurricane season. In September and October a rainfall deficit was recorded across the region negatively affecting planting of the 2009 secondary "de postrera" cereal and beans season in some parts of Nicaragua, Guatemala, Honduras and El Salvador. However, heavy precipitation in early November, associated with the passage of Hurricane IDA, has resulted in severe damage to infrastructure and agriculture. While the drought situation has been reversed, rains were too late to avoid reductions in the area planted.

In **South America**, El Niño phenomenon is forecast to result in below normal precipitation in northern parts of the region. In Venezuela dry weather in past months has affected the 2009 maize crop in the main producing areas and the output is forecast to be reduced. No other significant weather anomalies have been reported in the north of the region. By contrast, in southern parts, including the major cereal growing areas of Argentina, southern Brazil and Uruguay, above normal rains are forecast in the period October-March. In Argentina heavy rains in October associated with El Niño, have delayed the start of of the 2009/10 maize crop planting. However, they benefited somewhat the 2009 wheat crop in central-eastern farming areas that had been negatively affected by extremely dry weather since May. Overall, the impact of El Niño in the southern countries of the region is expected to be stronger towards the end of the year, when harvesting of the wheat crops and planting of the 2009/10 coarse grain crop will be well advanced. Should forecasts of above-normal rains in the sub-region materialize reductions in coarse grains area planted and wheat quality may occur.

FAO will keep closely monitoring weather anomalies in the coming months and assessing possible effects these may have on agricultural production and food security in various parts of the world in order to provide early warnings and to enable mitigating actions.

Low-Income Food-Deficit Countries food situation overview[1]

Food prices have stabilized in several regions in the past months but generally remain at above pre- food crisis levels

In LIFDCs food prices remain, in general, much higher than in the pre-food price crisis period of two years earlier (see special feature) despite declines in several countries. The high food price situation continues to give rise to concern for the food security of vulnerable populations.

In Eastern Africa, prices of cereals have fluctuated in a narrow range since July. By October prices of maize in the main markets of Uganda, Kenya and Tanzania were 171 percent 80 percent and 68 percent higher than in October 2007. This reflects tight regional supplies following a second consecutive below average harvest in Kenya and congestions in the Mombassa port. In Sudan, prices of main staple sorghum have been on an increasing trend in the past two years and by September they were 190 percent higher than two years earlier.

In Southern Africa, prices of main staple maize have stabilized since May-June. In spite of bumper 2009 harvests, maize prices in October in Zambia and Mozambique were 59 percent, 58 percent higher than two years earlier and in Malawi, by September, maize quotations had more than doubled their level of September 2007.

In Western Africa, prices of cereals declined in October reflecting the new 2009 cereal harvest. However, millet prices in Mali and Burkina Faso were about one-third higher than in October 2007, while in Nigeria were still 73 percent higher than two years earlier. Substantial delays in cereal imports during 2009 have supported high prices of cereals in the sub-region.

In Asia, in Afghanistan, price of flour have declined in the past months with the bumper 2009 wheat harvest but by September remained 40 higher than two years ago. In Pakistan, prices of wheat flour remain on the increase and are some 70 above the pre-crisis level. In Sri Lanka and India rice prices have stabilized in the past months although are still 60 percent and 40 percent higher than two years ago. By contrast, in Bangladesh cereal prices have declined to the pre-2008 food-crises levels reflecting a good harvest and policy interventions.

In Central America and the Caribbean, in Honduras and Nicaragua prices of white maize have declined substantially with the arrival of the new harvest and by October are at the levels of two years ago.

2009 aggregate cereal production of LIFDCs put close to last year's record level

With the 2009 cereal seasons completed or drawing to a close in most regions of the world, FAO's latest forecast of the 2009 cereal production for the 77 LIFDCs as a group points to a marginal decline from the record output of 2008. A substantial decline in cereal production is expected in India where the poor 2009 monsoon season rains are anticipated to result in a sharply reduced paddy crop. By contrast, in the largest producer China, cereal harvest is put 1 percent down from the record of 2008. When China and India, normally accounting for one-third of the aggregate output, are excluded production of the remaining LIFDCs increases by a significant 4.5 percent.

Bumper cereal crops were harvested earlier in the year in LIFDCs of Southern and Northern Africa and production

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

	2007/08	2008/09	2009/10	Change: 2009/10 over 2008/09 (%)
Cereal production[2]	**910.8**	**945.7**	**939.6**	**-0.6**
excluding China Mainland and India	297.8	311.2	325.3	4.5
Utilization	**965.6**	**988.6**	**1 005.4**	**1.7**
Food use	661.9	676.4	687.8	1.7
excluding China Mainland and India	282.6	293.6	299.2	1.9
Per caput cereal food use *(kg per year)*	154.8	155.9	156.3	0.2
excluding China Mainland and India	157.8	160.6	160.5	0.0
Feed	174.4	174.9	179.5	2.6
excluding China Mainland and India	44.7	44.9	47.1	5.0
End of season stocks[3]	**252.9**	**286.9**	**285.5**	**-0.5**
excluding China Mainland and India	50.8	57.6	57.5	-0.2

[1] Includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e.USD 1 735 in 2006).
[2] Data refer to calendar year of the first year shown.
[3] May not equal the difference between supply and utilization because of differences in individual country marketing years.

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

recovered from the 2008 drought-reduced level in countries of Near East. Similarly, in countries of Asia, the 2009 wheat crop is estimated to be a record, notably in Pakistan, Tajikistan and Kyrgyzstan, but latest prospects for the main season rice point to a crop lower than the good 2008 harvest although still above average.

In Western Africa, where harvest of the 2009 cereal crops is well advanced, erratic rains have reduced production compared to the record of last year, notably in Niger and Senegal, and the aggregate output of LIFDCs is forecast to return to normal levels from last year's bumper crop

In Eastern Africa, following two years of bumper crops, the 2009 aggregate cereal production is forecast to be reduced, notably in Ethiopia, Kenya and Somalia, due to poor rains and civil conflict. It estimated that over 20 million people will need emergency food aid in 2010.

Table 5. Cereal production[1] of LIFDCs (*million tonnes*)

	2007	2008	2009	Change: 2009 over 2008 (%)
Africa *(43 countries)*	**117.0**	**128.3**	**131.8**	**2.8**
North Africa	22.5	26.6	31.2	17.2
Eastern Africa	32.6	32.6	30.5	-6.3
Southern Africa	12.3	11.8	14.0	18.5
Western Africa	46.4	54.0	52.8	-2.2
Central Africa	3.2	3.3	3.3	1.4
Asia *(25 countries)*	**791.0**	**813.8**	**803.8**	**-1.2**
CIS in Asia	13.9	13.4	14.4	8.0
Far East	761.8	791.6	775.8	-2.0
- China (Mainland)	400.2	419.8	416.2	-0.8
- India	212.9	214.7	198.1	-7.7
Near East	15.3	8.9	13.6	52.8
Central America *(3 countries)*	**1.9**	**1.8**	**1.9**	**5.9**
Oceania *(5 countries)*	**0.0**	**0.0**	**0.0**	**0.0**
Europe *(1 country)*	**0.9**	**1.8**	**2.0**	**11.2**
Total *(77 countries)*	**910.8**	**945.7**	**939.6**	**-0.6**

[1] Includes rice in milled terms.
Note: Totals computed from unrounded data.

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

	2007/08 or 2008	2008/09 or 2009				2009/10 or 2010	
		Requirements[1]		Import position[2]		Requirements[1]	
	Actual Imports	Total Imports	of which food aid	Total Imports	of which food aid pledges	Total Imports	of which food aid
Africa *(43 countries)*	**40 234**	**45 043**	***2 916***	**38 677**	***2 426***	**39 263**	***3 055***
North Africa	18 260	20 817	*0*	20 817	*0*	16 192	*0*
Eastern Africa	6 215	7 496	*1 812*	6 657	*1 534*	6 871	*2 190*
Southern Africa	3 265	3 702	*463*	3 702	*463*	3 151	*361*
Western Africa	10 829	11 214	*487*	6 696	*278*	11 271	*419*
Central Africa	1 665	1 813	*155*	804	*151*	1 778	*85*
Asia *(25 countries)*	**39 969**	**46 182**	***2 191***	**43 752**	***1 472***	**39 960**	***1 402***
CIS in Asia	5 399	6 357	*82*	6 357	*82*	5 596	*40*
Far East	23 792	23 774	*1 448*	22 163	*775*	21 069	*1 127*
Near East	10 778	16 051	*661*	15 232	*615*	13 295	*235*
Central America *(3 countries)*	**1 666**	**1 783**	***171***	**1 783**	***171***	**1 816**	***183***
Oceania *(5 countries)*	**431**	**431**	***0***	**178**	***0***	**431**	***0***
Europe *(1 country)*	**339**	**88**	***0***	**88**	***0***	**88**	
Total *(77 countries)*	**82 639**	**93 527**	**5 278**	**84 476**	**4 069**	**81 558**	**4 641**

[1] The import requirement is the difference between utilization (food, feed, other uses, exports plus closing stocks) and domestic availability (production plus opening stocks).
[2] Estimates based on information available as of early October 2009.
Note: Totals computed from unrounded data.

In LIFDCs in Central America and the Caribbean, dry weather associated with El Niño phenomenon has affected planting of the 2009/10 secondary cereal crops in Honduras and Nicaragua. Heavy rains in early November, that resulted in flooding and landslides, reversed the drought situation but were too late to avoid reductions in the areas planted.

Cereal import requirements and cereal import bill to decline in 2009/10

Following a good cereal production for the second consecutive year, the aggregate cereal import requirement of the LIFDCs as group in marketing year 2009/10 or 2010 is estimated to decline by 13 percent to some 81.6 million tonnes. Largest reductions in imports are anticipated in countries in North Africa, Near East and CIS Asia.

Lower volumes of cereal imports in 2009/10, together with the decline in export prices from their levels of the previous season, are anticipated to result in a marked decline in the cereal import bills of the LIFDCs, as a group, which is forecast at about USD 22 billion, down 27 percent from the previous year's level and some 42 percent below its all-time high during the soaring international food price crisis in 2007/08.

Slow pace of 2008/09 cereal imports in Western Africa

With almost all subregions now into the new marketing year, latest information received in GIEWS by early October 2009 indicates that 90 percent of the LIFDCs aggregate cereal import requirements in 2008/09 have already been covered by commercial imports or food aid. However, in Western Africa, where the seasons conclude at the end of October or at the end of December, the path of both commercial and food aid imports has been slow with only 60 percent of the import requirements have been received. This is likely to have influenced the high level of food prices in LIFDCs of the subregion during 2009 in spite of a 2008 record cereal harvest.

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

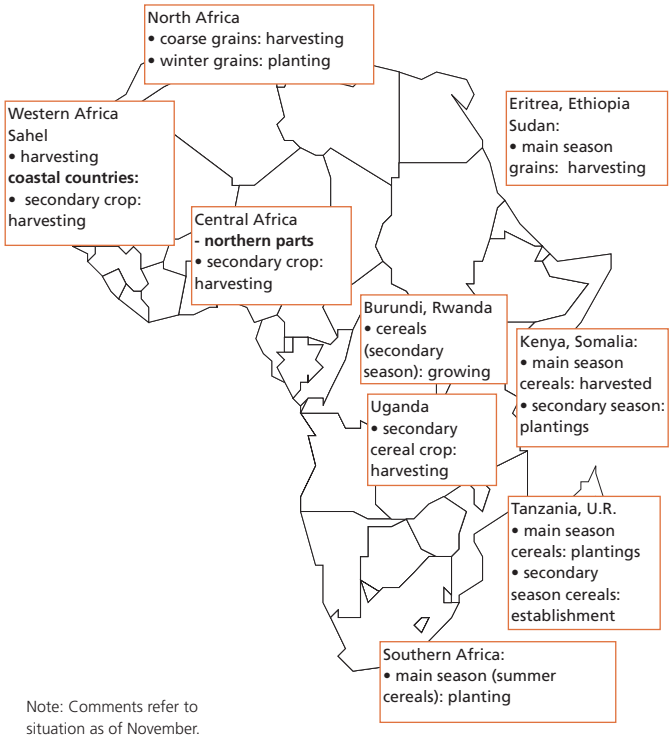
	2004/05	2005/06	2006/07	2007/08	2008/09 estimate	2009/10 f'cast
LIFDC	**17 326**	**16 492**	**22 882**	**37 571**	**29 945**	**21 856**
Africa	8 374	8 293	10 417	19 112	14 503	10 555
Asia	8 593	7 831	11 971	17 535	14 804	10 752
Latin America and Caribbean	270	283	392	630	482	418
Oceania	77	77	92	170	120	103
Europe	11	9	10	123	35	29
Wheat	10 277	10 094	13 429	22 816	19 491	13 176
Coarse grains	2 562	2 256	3 312	4 453	4 432	3 405
Rice	4 487	4 143	6 142	10 301	6 021	5 275

Regional reviews

Africa

North Africa

Harvesting of the subregion's 2009 winter crops has been completed, coarse grains (maize and sorghum) are presently being harvested and in Egypt harvesting of paddy is about to start. Aggregate wheat output for the subregion is estimated at 21.5 million tonnes, a new record, compared with 14.3 million tonnes in 2008, when crops were affected by poor rainfall in some countries. In **Algeria**, wheat and barley production in 2009 will be nearly three times higher than last year's drought-reduced crop, according to official sources. In addition to favourable weather conditions, this substantial increase from the previous year and from the five-year average is attributed to government incentives to increase domestic production to mitigate the negative impact of high international cereal prices on consumers. The incentives included increased output prices and subsidised inputs. The same trend was observed in **Morocco** where 2009 wheat harvest reached 6.5 million tonnes, 74 percent over last year's level and more than four times the poor crop harvested in 2007, following exceptionally favourable weather throughout the winter cropping season. Even in **Tunisia** where poor rainfall has kept production low over the past three years, wheat output was above average and 67 percent above the 2008 production level, while barley output more than doubled to 650 000 tonnes. In **Egypt**, the largest cereal producer of the subregion, wheat



Note: Comments refer to situation as of November.

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

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast
Africa	**19.1**	**20.5**	**27.2**	**99.3**	**110.7**	**112.5**	**22.0**	**25.5**	**24.1**	**140.4**	**156.7**	**163.8**
North Africa	**13.2**	**14.3**	**21.5**	**10.5**	**10.9**	**14.2**	**6.9**	**7.3**	**5.7**	**30.6**	**32.5**	**41.4**
Egypt	7.4	8.0	8.8	7.9	8.4	8.0	6.9	7.3	5.7	22.2	23.6	22.5
Morocco	1.6	3.7	6.5	0.9	1.5	3.9	0.0	0.0	0.0	2.5	5.2	10.5
Western Africa	**0.1**	**0.1**	**0.1**	**40.7**	**46.7**	**45.5**	**8.9**	**11.5**	**11.5**	**49.7**	**58.3**	**57.1**
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	**3.5**	**3.7**	**3.3**	**27.9**	**27.7**	**26.0**	**1.8**	**1.8**	**1.8**	**33.2**	**33.2**	**31.1**
Ethiopia	2.5	2.7	2.3	12.5	12.7	11.2	0.0	0.0	0.0	15.0	15.3	13.5
Sudan	0.6	0.6	0.6	4.7	4.9	4.7	0.0	0.0	0.0	5.3	5.6	5.3
Southern Africa	**2.2**	**2.4**	**2.3**	**17.3**	**22.4**	**23.7**	**3.9**	**4.4**	**4.6**	**23.5**	**29.3**	**30.6**
Madagascar	0.0	0.0	0.0	0.4	0.4	0.4	3.6	4.1	4.2	4.0	4.5	4.6
South Africa	1.9	2.1	2.0	7.8	13.7	12.8	0.0	0.0	0.0	9.7	15.8	14.9
Zimbabwe	0.1	0.0	0.0	1.1	0.8	1.4	0.0	0.0	0.0	1.3	0.8	1.5

Note: Totals computed from unrounded data.

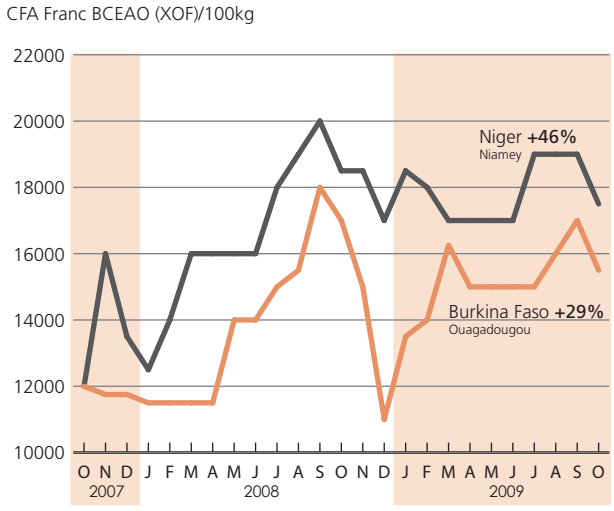
output increased by some 800 000 tonnes, or 10 percent, while maize production is anticipated to be about 7 million tonnes, an average crop, some 400 000 tonnes less than last year's output.

The favourable crop prospects for 2009, combined with a significant decline in international commodity prices, have helped to reduce inflation and have improved the access to food in the subregion. In **Egypt**, the most affected country, the year-on-year overall inflation rate in urban areas dropped steeply to 9.9 percent in June 2009 after having peaked at 23.6 percent in August 2008. This decline was mostly due to price changes in the food sector where the year-on-year rate of inflation dropped from 30.9 percent in August 2008 to 12.2 percent in June 2009.

Western Africa

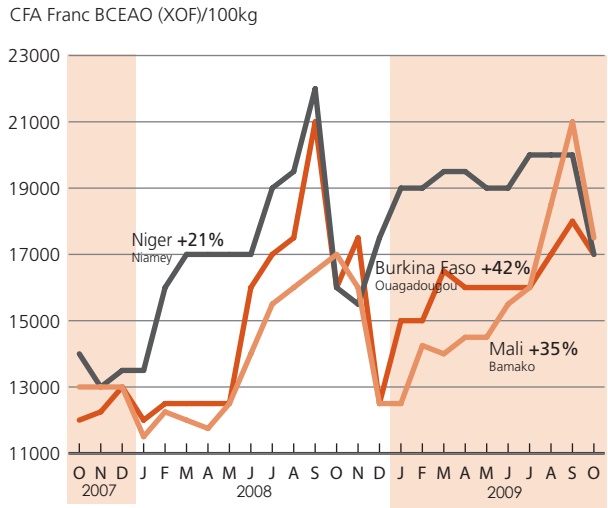
Following last year's record crop, a more normal harvest is anticipated in the subregion in 2009. Erratic and below-average rainfall well into July necessitated replanting in several countries. Precipitation improved significantly from mid-July with heavy rains causing substantial flooding across the subregion. Considerable human casualties and damage to infrastructure were reported in several countries in August and September, notably in **Burkina Faso, Gambia, Ghana, Mali, Mauritania, Niger, Nigeria, Sierra-Leone** and **Senegal**. Latest assessments indicate that over 800 000 people were affected in the region including 350 000 people in Senegal, 150 000 in Burkina Faso and 100 000 in Niger. However, in spite of the heavy rains and floods, dry conditions have persisted in several areas, affecting crops and livestock. Areas affected include **northern Nigeria and Mali**, **southern Niger, central Chad** as well as **Liberia** and **western Côte d'Ivoire**. In some of these regions, notably in Mali, Chad and Niger, crops and range lands have been seriously affected with reports of livestock deaths.

Figure 5. Sorghum prices in selected Western African markets



Sources: Afrique Verte.
Note: Percentages indicate change from 24 months earlier.

Figure 6. Millet prices in selected Western African markets

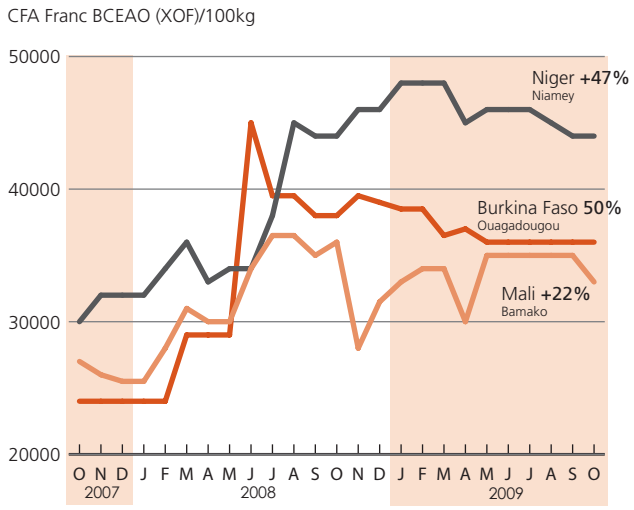


1/ Based on retail prices (XOF/kg)
Sources: Afrique Verte.
Note: Percentages indicate change from 24 months earlier.

Interagency Crop Assessment Missions are in most West African countries since late October to review preliminary cereal production estimates for 2009 prepared by the national agricultural statistics services and assess the impact of the various hazards on crop production and livestock. Although no evaluation of the impact of the floods and dry spells on the agriculture sector is yet available, it is not expected that there will have been any widespread damage to crops and livestock. Nonetheless, in localized areas, where crop yields and livestock were severely reduced by delayed rains or floods, populations may be at risk of food shortages, and may require assistance. In particular, coarse grain production is anticipated to decline in Nigeria, the largest producer of the subregion, due to late and poorly distributed rains in the North, which will also affect regional food supply.

In spite of last year's record crop, cereal prices have remained well above the levels of 2 years ago, before the food price crisis. For example, although coarse grain prices declined somewhat from their peak of August-September 2008 in most countries, most recent wholesale prices in national currencies of millet in markets of **Mali** (Bamako), **Burkina Faso** (Ouagadougou) and **Niger** (Niamey) were still 35, 42 and 21 percent respectively higher than in the corresponding period of 2007. The maize price in **Ghana** (Accra) in July was more than double its level of July 2007. The situation is not better for imported rice, whose price is determined by world prices and has exhibited high pass-through

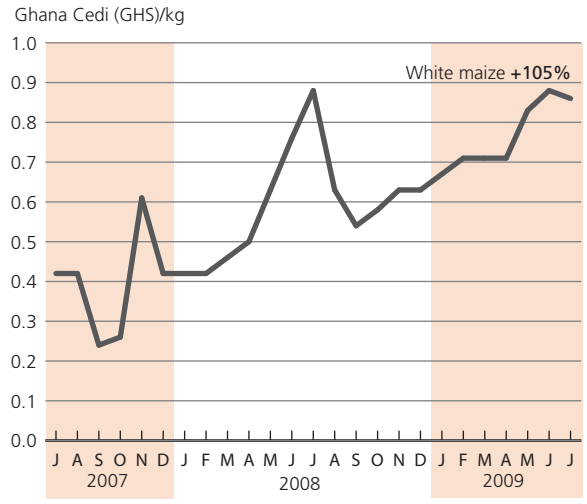
Figure 7. Imported rice prices in selected Western African markets



1/ Based on retail prices (XOF/kg)
Sources: Afrique Verte.
Note: Percentages indicate change from 24 months earlier.

from the international market. In **Burkina Faso, Niger** and **Mali** rice prices remain very high, being 29 percent, 46 percent and 22 percent higher respectively in October 2009 than 2 years earlier. Although latest data show that coarse grain prices have started to decline in October in some coastal countries, reflecting the arrival of new crop supplies from this year's harvests in the markets, the expected reduction in **Nigeria**'s cereal production could lead to a new rise in cereal prices across the subregion with serious negative impact on rural food-deficit households and urban consumers. Safety net interventions, such as targeted distribution, sales at subsidized prices, food for work or cash for work activities, will be required during next year lean season, with quantities depending on the extent of food supply and pasture deficits, in specific areas.

Figure 8. Retail maize prices in Accra, Ghana



Source: tradenet.biz.
Note: Percentages indicate change from 24 months earlier.

Central Africa

In **Cameroon** and the **Central African Republic**, harvesting of the first maize crop is nearly complete in southern parts, while harvesting of the late maturing cereal crops just started in northern areas. Satellite-based rainfall estimates indicate that the crops benefited from adequate rains, following slight water deficits at the beginning of the season (April-May) in southern Cameroon. By contrast, in the northern part of these countries, precipitation has been erratic and below average since the beginning of the season, which may have affected land preparation and plantings of cereal crops, predominantly sorghum and millet. Moreover, in the **Central African Republic**, where an estimated 1.2 million people are food insecure, agricultural recovery continues to be hampered by persistent civil unrest and inadequate availability of agricultural inputs. This is most notable in northern parts of the country where nearly 300 000 people have reportedly been uprooted from their homes over the past two years.

Eastern Africa

Inadequate seasonal rains, conflicts and displacements put more than 20 million people in need of emergency food assistance

Unfavourable prospects for 2009 crop production and poor status of pastures and livestock are reported in several countries. Harvesting of the 2009 main season cereal crops has been concluded in Somalia, the United Republic of Tanzania (both "msimu" and "masika" season crops) and Uganda, while it is still underway in Kenya. The harvest of the main 2009 cereal and pulse crops in Sudan, Ethiopia and Eritrea has started at the beginning of November. Aggregate cereal production in 2009 is preliminarily estimated at 31 million tonnes (rice in paddy terms), some 2 million tonnes less than the bumper harvest obtained in 2008. In fact, late and below-average rains from March to July, in most of Eastern Africa affected agricultural activities and hindered crop growth. The low cumulative rainfall has also reduced water availability in pastoral areas of northern and south-eastern Kenya, south-eastern Ethiopia and inland regions of Djibouti. The scarcity of adequate pasture and water has caused major animals losses and/or worsening of livestock conditions, with a detrimental impact on pastoralists' income and their ability to access staple foods. Reproduction rates of livestock have also suffered from

successive poor seasonal rains since 2007, making the recovery of agro-pastoral and pastoral livelihood systems more difficult and worsening long-term food insecurity.

In addition to crop and pasture failures due to unfavourable weather conditions, food security in the subregion continues to worsen also as a result of trade disruptions, high food and non-food prices, conflicts and displacements. In several countries, food needs are expected to rise in the following months, while food aid in the pipeline is often reported to be insufficient. Food insecure population in the subregion is currently estimated at nearly 20 million people, especially marginal farmers, pastoralists and low-income urban dwellers.

In **Eritrea**, the late start of the main season "kiremt" rains, which normally occur between June and September, has lowered expectations for a good harvest. This was preceded by poor secondary "azmera" rainy season (March to May) especially in Debub and Maekel regions. Pasture and forage availability were also unsatisfactory and pastoralists in North and South Red Sea regions were particularly affected by reduced pasture and water access following a prolonged dry spell during the summer months of 2009. The performance of the "bahri" rainy season, just started in October, will be crucial for pasture regeneration and the coastal secondary season crop production.

In **Ethiopia**, late, erratic and below average "kiremt" rains have affected 2009 main season Meher crops and pastures in many parts of the country, in particular Gambella, lowlands in southern SNNPR, eastern Oromya, Dire Dawa, Harari, the north of Somali region, some eastern woredas in Amhara and Tigray and most of Afar region. In particular, the late onset of precipitations has negatively affected planted area of 2009 meher long cycle crops of maize and sorghum. In some low-lying woredas of North Shewa, East and West Hararghe, Arsi, West Arsi and in large parts of SNNPR, farmers decided to re-plant wheat, teff and barley crops to minimize failures of long-cycle crops. Better production prospects are reported in western areas of the country. The output of 2009 Meher cereal crops, to be harvested from November to January, is forecast to be well below the over 15 million tonnes bumper harvests obtained in 2007 and 2008. In addition, cereal crop production prospects could deteriorate further due to the likely negative effect of the El Niño that in other similar years has caused unseasonable heavy precipitations at harvest time. Scarcity of water and pasture in many lowland woredas of Bale, Borena, East and West Harerghe, South Omo and Somali region have already caused several deaths of animals and led to a general deterioration of livestock conditions with consequent worsening of terms of trade for pastoralists. It is estimated that between 100 000 and 200 000 animals have crossed the border with Kenya, moving away from drought-affected areas and contributing to the early depletion of local pastoral resources. Distress sales of livestock and firewood collection are the major coping strategies being reported to face the worsening food security situation. The findings of a Multi-Agency Livelihood Security Assessment conducted in June-July 2009 and subsequent monitoring indicate an increase in the number of people requiring food assistance from 5.3 million in May to 6.2 million in July. A joint FAO/WFP Crop and Food Security Assessment Mission is currently in the country to assess the situation.

In **Kenya**, harvesting of 2009 long-rains season maize crop, which accounts for 80 percent of total annual production, is underway and it will be completed in January. Seasonal maize production is preliminarily estimated at 1.84 million tonnes, almost 30 percent below normal levels. By the end of May, erratic and low cumulative rainfall levels, between 10 to 50 percent of normal, affected maize yields especially in Eastern, Coast and (part of) Rift Valley provinces. Dry weather conditions were also very severe in north western and eastern pastoral regions, deteriorating pasture availability and livestock conditions with consequent increase of mortality rates. Water deficits have also led livestock to undertake forced migrations with extended trekking distances in search of areas with better water supplies that has often worsened body conditions, increased disease outbreaks and exacerbated resource-based conflicts among pastoralists. The poor conditions of livestock has led to below-normal prices, deteriorating pastoralists' terms of trade and consequently limiting their access to staple foods. About 3.8 million people are estimated to be highly or extremely food insecure, mainly located in pastoral and marginal agricultural areas. Current levels of food insecurity are driven by the cumulative effects of several factors, such as four to five seasons with inadequate rainfall, the lingering impacts of the 2008 poor harvest, high food prices and escalating conflicts for grazing resources, which were all highly detrimental to households' resilience.

In **Somalia**, harvesting of 2009 "gu" season maize and sorghum crops is underway and production is tentatively estimated to be below average. This is mainly due to the mixed performance of main "gu" rains (March to June), with below average rainfall that led to a severe and deepening drought conditions in Central regions, parts of the South and in the northwest regions of Hiran, Galgadud, Mudug, Nugal, Sool, Sanaag, and Togdheer. On the contrary, 2009 "gu" cereal production prospects for the main southern agriculture regions of Shabelle, Bay and Middle Juba are favourable, on account of better rainfall, improved irrigation systems and significant increases in cultivated area. The early onset of 2009 "deyr" rains during late September started to improve water and pasture availability in drought-affected pastoral areas in north, northeast and central regions. Pastoral livelihood systems of these regions have been severely affected by recurring seasons of poor rainfall since 2007 that caused a progressive reduction in herd sizes due to both increasing mortality rate and low reproductive levels. More than 3.6 million people, about 50 percent of total

population, are estimated in need of emergency food and non-food assistance, at least until December 2009. They are mostly concentrated in rural and urban areas in south and central regions of the country where a combination of reinforcing factors, such as conflicts, civil displacements, inflation and drought have progressively eroded household ability to cope with crisis.

In **Sudan**, the harvest of main season cereal crops is underway. Production has been negatively affected by a prolonged dry spell that lasted from May to July and a joint FAO/WFP Crop and Food Security Assessment Mission is currently in the country to assess the situation. It is reported that, in several cases, the consumption of green crops is improving the food security situation that had severely deteriorated since August due to increased conflicts and resulting displacements. These conflicts exacerbated the food security problems that usually occur during the hunger season.

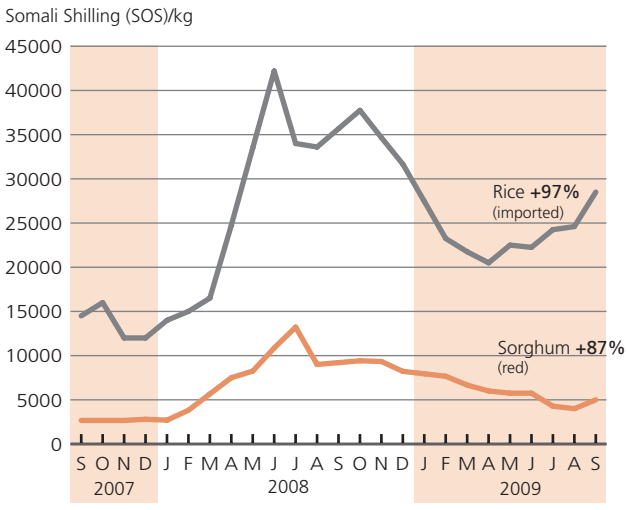
In the **United Republic of Tanzania**, harvesting of 2009 "msimu" season crops in unimodal areas and "masika" season crops in bimodal areas have been recently completed. Crop production estimates in unimodal areas are favourable as a result of beneficial rains received from March to May. In contrast, with the exception of Kegera and Kigoma regions, "masika" rains have been late and below average in most parts of bimodal northern, north-eastern and coastal areas, leading to below average crop production and deterioration of pasture and browse. In the North-east, the pastoralist livelihood systems have often been disrupted as a consequence of a series of poor rainy seasons between 2005 and 2009 that caused deterioration of livestock conditions and productivity with increased mortality rates. Planting of 2009 "vuli" season crops, which contributes to approximately 30 percent of the total annual cereal production, has just started in bimodal areas with the arrival of first seasonal rains. If "vuli" precipitations are adequate during the whole season, the green maize harvest is expected to start in December. Official preliminary forecast of 2009 cereal production points to 5.8 million tonnes, some 4.2 percent below the bumper harvest obtained in 2008.

In **Uganda**, harvesting of 2009 first season crops has been completed at the beginning of August. In the Acholi region, northern Uganda, the late onset of the main rains (March-July) together with the below average precipitation between April and July have severely hindered crop development and 2009 first season cereal and pulse production is estimated about 50 percent below the average. This limits households' ability to replenish food stocks and improve their food security situation following several years of displacement due to civil insecurity. Similarly, in Karamoja, low cumulative rainfall negatively impacted on crop growth, especially sorghum, whose harvest has just started. Access to water and pasture for livestock has also been limited. The progressive deterioration of livestock conditions has often lowered their market prices, worsening terms of trade for pastoralists. By contrast, the supply of the main staple roots and tubers is normal in most parts of the country, partly cushioning households' food intake. The secondary 2009 rainy season was expected to start in late September, but a weak El Niño phenomenon resulted in well distributed precipitations since mid-August. This has induced farmers to intensify field activities and early planting of seasonal crops. Rainfall is forecast to continue through December, with positive effects on crop production with some risk of flooding, especially in the East.

Prices stabilising or even declining, but still well above-average levels

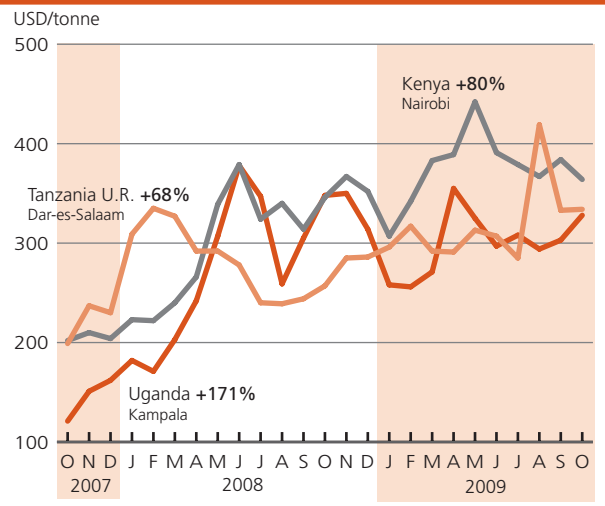
In general the region continues to experience above-average cereal prices, above the pre-crisis level of June 2007 by a range that goes from 50-70 percent on average. In the United Republic of Tanzania, wholesale maize prices registered a record level of USD 419 per tonne in Dar es Salam in August 2009 and then declined to USD 334 per tonne in October. This price is still about 30 percent higher than the same month in 2008. In Kenya, wholesale prices of maize in Nairobi reached a record level in May 2009 with USD 442 per tonne and then started to decline until USD 364 per tonne in October 2009, that is still 5 percent higher compared to a year earlier. In Uganda (Kampala), the wholesale price of maize registered a peak in April 2009 with USD 355 per tonne, as a consequence of large scale purchases for schools, relief aid and institutional requirements. Maize price has since decreased up to USD 294 per tonne in August 2009 and then inverted its seasonal trend to reach USD 345 per tonne in October 2009. In Ethiopia, the wholesale price of maize, the most widely consumed cereal, is reported at USD 270 per tonne in September 2009, well below the record level of USD 600 per

Figure 9. Selected cereal prices in Mogadishu, Somalia



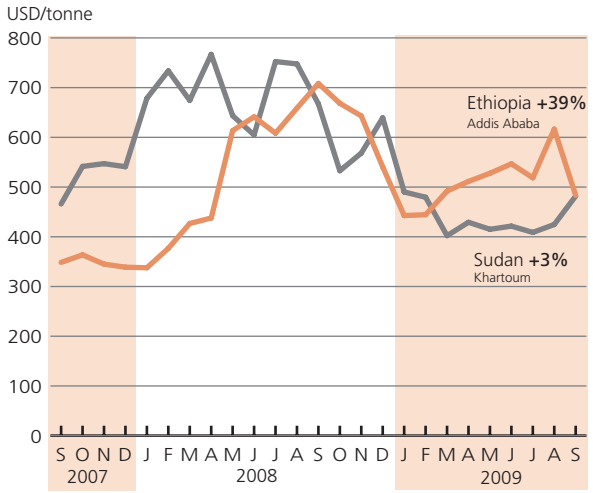
Source: Food Security Analysis Unit.
Note: Percentages indicate change from 24 months earlier.

Figure 10. Maize prices in selected Eastern African markets



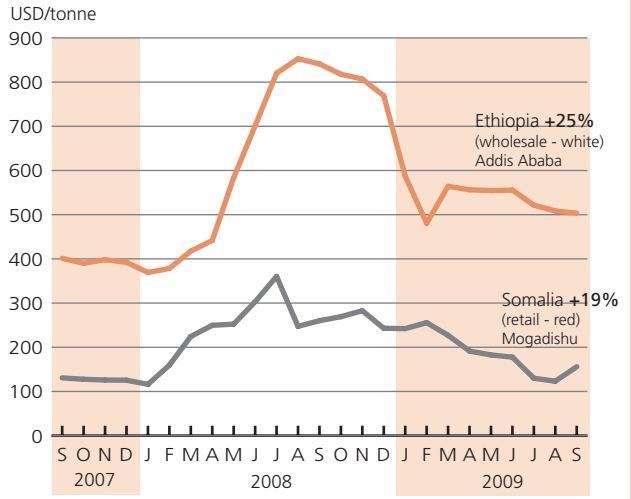
Source: Regional Agricultural Trade Intelligence Network.
Note: Percentages indicate change from 24 months earlier.

Figure 12. Wheat prices in selected Eastern African markets



Sources: Ethiopian Grain Trade Enterprise; Ministry of Agriculture, Sudan.
Note: Percentages indicate change from 24 months earlier.

Figure 11. Sorghum prices in selected Eastern African markets



Sources: Ethiopian Grain Trade Enterprise; Food Security Analysis Unit, Somalia.
Note: Percentages indicate change from 24 months earlier.

tonne of September 2008. This price is similar to the level of the beginning of 2008, but still 45 percent higher then mid-2007. At the same time, the wholesale price of white sorghum in Addis Ababa, a main staple in most of the lowland areas of the country, is stabilizing around USD 500 per tonne, well below the record price of USD 853 per tonne registered in August 2008. On the contrary, the wholesale price of wheat (which is predominantly consumed in urban centres) showed a rising trend from January to August 2009, from USD 443 to USD 617 per tonne, and only in September it dropped to USD 483 per tonnes, about 47 percent lower than a year before. In Somalia, the retail price of red sorghum in Mogadishu has declined since the beginning of the year, reaching a value of USD 156 per tonne in September 2009, some 40 percent below the level of same month in 2008. In Sudan, the wholesale prices of wheat and sorghum in Khartoum where quite stable from April to July 2009 and then started climbing with the beginning of the hunger season. In September 2009, wheat price was USD 482 per tonne, some 38 percent below 12 months before, while sorghum price was USD 519 per tonne, about 13 percent more than in September 2008.

Southern Africa

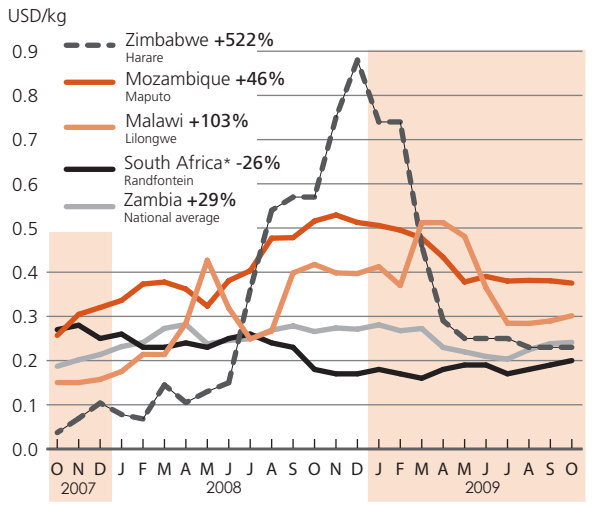
Land preparation for planting of the 2009/10 main season's cereal crops is underway across Southern Africa, with governments continuing their support towards enhancing cereal production growth, including the distribution of fertilizers and seeds. In most countries the bulk of plantings normally occur in November. Parts of **Angola**, **Botswana**, **Namibia**, western regions of **Zambia**, the Maize Triangle in **South Africa** and south-eastern **Madagascar** received well distributed early rains during the last dekad of September and in October while in Zambia, Zimbabwe and Mozambique, they were below average. The early start of the seasonal rainfall in parts of the subregion combined with the timely distributions of inputs, are likely to support early season cropping activities. In South Africa, the expected planted area for maize is estimated to increase by 6 percent relative to last season, owing to a reduction in area sown to sunflower and the

utilisation of fallow wheat lands. However, there are concerns that the occurrence of an El Niño dry-weather pattern during the end of 2009 may negatively affect the development of the main season crops in the coming months, and the situation needs to be closely monitored.

Following good harvests earlier in 2009, due to favourable weather conditions and increased use of agricultural inputs, the food security situation remains relatively stable across Southern African. Aggregate cereal production, including harvests from the largest producer in the subregion, **South Africa** (which has a share of approximately 50 percent), is estimated at 30.6 million tonnes for 2009, 4 percent above last year's good level. At a national scale, record cereal production in **Malawi**, **Mozambique**, **Zambia** (maize) and **Madagascar** (rice), improved cereal availability and helped to stabilise prices. In **Zimbabwe**, however, in spite of a significant increase of the 2009 cereal harvest by 73 percent relative to last's years drought affected production, the country still needs to import approximately 690 000 tonnes of cereals (or about 20 percent of total consumption) to cover national utilization requirements for the 2009/10 marketing year (April/March). Only **South Africa**, **Angola** and **Lesotho** recorded a decline in cereal production from the previous year, on account of flooding (Angola) and a reduction in area planted (South Africa and Lesotho). The 2009 aggregate maize harvest, the main staple food in the subregion, estimated at 22 million tonnes, marked the fourth successive production increase. Harvesting of the wheat crop in South Africa, which accounts for over 90 percent of the subregion's total wheat production, is scheduled to be completed in November. Latest production estimates indicate a drop of 6 percent relative to last year's level, down to approximately 2 million tonnes, which is, however, still above the five-year average.

In spite of the improved aggregate cereal production in Southern Africa, pockets of food insecurity persist in the subregion as a result of localised adverse weather-related events during the 2008/09 agricultural season, which led to crop losses in the affected areas.

Figure 13. White maize prices in selected Southern African markets



*Wholesale prices, all others retail prices.
Sources: WFP/CFSAM/FEWSNET, Zimbabwe; Sistema de Informação de Mercados Agrícolas de Moçambique, Mozambique; Ministry of Agriculture and Food Security, Malawi; Central Statistical Office, Zambia; SAFEX Agricultural Products Division, South Africa.
Note: Percentages indicate change from 24 months earlier.

TRADE

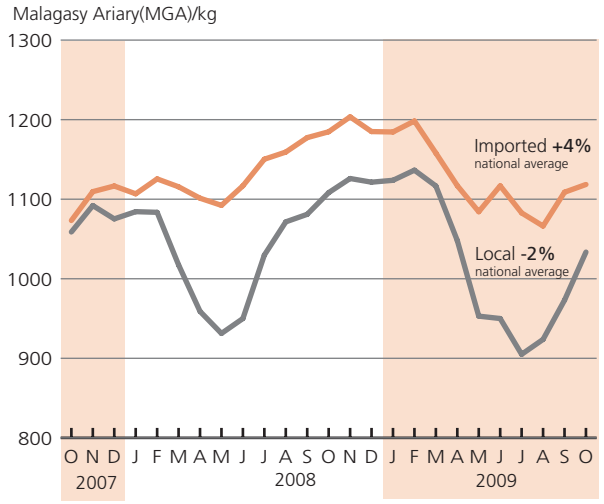
FAO estimates that the aggregate cereal import requirements for the subregion (excluding South Africa and Mauritius) declined by 18 percent for the 2009/10 marketing year compared to 2008/09, reflecting sharply lower maize import requirements (-34 percent) following improved production levels in 2009 (Table 9). Malawi and Zambia more or less reached self-sufficiency in maize, and South Africa's exportable maize surplus is approximately 2.1 million tonnes for 2009/10. Maize import needs of Botswana, Namibia and Zimbabwe are lower this year, about the same in Swaziland and Mauritius and larger in Angola and Lesotho.

Table 9. 2009/10 import requirements and current import position* for Southern Africa, (excluding South Africa and Mauritius) and comparison with import cover in 2008/09 at about the same period

	2008/09 Import estimates	2009/10 Import requirements		Import requirements covered** by early October 2009	
	(000 tonnes)	(000 tonnes)	% change from 2008/09	(000 tonnes)	(%)
Total cereals					
Total	**4 364**	**3 568**	**-18**	**1 192**	**33**
Commercial	3 901	3 209	-18	959	30
Food aid	463	359	-22	233	65
Maize					
Total	**1 912**	**1 260**	**-34**	**437**	**35**
Commercial	1 604	1 129	-34	383	34
Food aid	193	130	-33	55	42

Source: FAO/GIEWS estimation.
*Available import data varies from April to early October 2009.
** Contracted and/or received.
Notes: Marketing year mostly April/March. Totals computed from unrounded data.

Figure 14. Rice prices in Madagascar



Source: Observatoire du Riz.
Note: Percentages indicate change from 24 months earlier.

PRICES

Staple food prices (in US dollar terms) have exhibited a general declining trend since the beginning of 2009. However, price levels still remain above the pre-food crisis level of 2 years ago, impeding normal food access and exacerbating food security conditions for vulnerable households. The price of maize in **Zambia** (national average) and **Malawi** (Lilongwe), in spite of seasonal increases since July, are lower than their peak levels (February-March) reflecting increased market availability following good harvests in 2009. However, in September prices were respectively still 41 and 103 percent above their levels of two years earlier. Similarly, maize prices in **Zimbabwe** (Harare) have decreased since reaching a record high in December 2008 and have shown signs of stabilising following market reforms introduced in March 2009. Maize prices in **Mozambique** (Maputo) have shown signs of stabilising since May and are below the price level of last year, but remain above average. Rice prices in **Madagascar** have reduced significantly since January 2009 and in September they were close to those prevailing in the same period in 2007. In **South Africa**, maize (white) and wheat prices have steadily declined since mid-2008, and in September 2009 prices were, respectively, 29 and 31 percent below their levels for the same period in 2007.

Recent policy developments in Africa

Chad
04-11-2009: The Government has set the maximum ceiling price for millet, maize and rice, respectively at CFA francs 26 400 (USD 59.20), CFA francs 27 500 (USD 61.67), CFA francs 42 000 (USD 94.19) per 100 kilogrammes.

Egypt
22-10-2009: The rice export ban, introduced in March 2008, is due to remain in effect for another year to October 2010 except for the export of broken rice for which the ban has been replaced by an export tax. However, the restriction was eased in February 2009 to allow exporters to sell rice abroad if they delivered the same amount of rice to the state grain buying agency as part of its food subsidy scheme. Under the revised measures the Government has announced in mid-October 2009 that it will hold monthly tenders to grant rice export licenses to traders and that it will reconsider the value of its rice export tariff. A total of between 400 000 to 600 000 tonnes of rice are expected to be exported in the marketing year 2009/10 (September/August).

22-10-2009: The Government has stated it will continue to subsidize basic food (mostly bread) prices as a social programme.

28-10-2009: The Government has completely liberalized fertilizer prices.

Malawi
19-10-2009: The Government has removed the export ban on maize in September 2009 and is planning to export 80 000 tonnes of maize to drought-hit Kenya and Zimbabwe at an expected export price of USD 340 per tonne.

30-10-2009: The Government is distributing some 6 678 tonnes of maize to the 147 492 people assessed as food insecure by the Malawi Vulnerability Assessment Committee (MVAC) in the district of Balaka, Chikwawa and Nsanje. This intervention, which is led by the Department of Disaster Management Affairs, will continue until March 2010.

4-11-2009: The Government has set the minimum support price for maize at MWK 30.85 (USD 0.22) per kilogramme for the 2009/10 crop season.

Nigeria
19-10-09: The Federal Government earmarked 25 000 tonnes of assorted grain for release from the National Strategic Food Reserve (NSFR). Commodities are to be sold with a subsidy of 30 percent as follows: 50 kilogrammes of maize at N 1 925, (USD 12.5), 50 kilogrammes of sorghum and millet at NGN 1 855 (USD 12).

Uganda
31-08-2009: The Government has banned maize and other cereals exports.

United Republic of Tanzania
24-09-2009: The Minister of Agriculture announced it would provide TZS 118 bn (USD 91 million) to subsidize input costs for 2.1 million farmers in 2009/10.The subsidy is 50 percent higher than in the previous year.

Zambia
23-7-2009: The Zambian Government announced the lifting of the maize export ban and has initially allowed export of up to 100 000 tonnes.

19-10-2009: The Government reduced import duty on crude vegetable oil from 5 percent to zero.

19-10-2009: To enhance growth in the agricultural sector VAT for agricultural equipment has been fixed at zero.

30-10-2009: The Government has decided to continue its Fertilizer Support Programme targeting small-scale farmers. The number of beneficiaries has been increased to 500 000 from last year's 250 000. This has been achieved through reducing by 50 percent the amount of fertilizer per beneficiary household from eight to four bags (of 50 kilogrammes each).

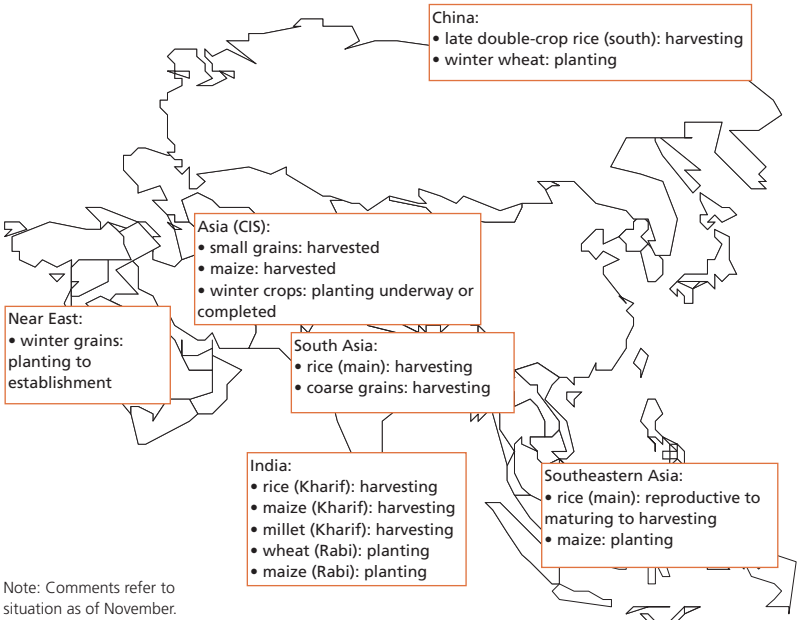
Zimbabwe
19/10/2009: Duty free regulation on imports of basic food commodities, started in March, has been extended until December 2009. This measure is part of a wide economic reform that includes the abandonment of the Zimbabwe dollar and the adoption of the US Dollar and South African Rand as legal currencies as well as allowing private traders to operate.

30-10-2009: The Government announced an assistance package worth USD 210 million, to support farmers in all farming sectors. Farmers will access loans (in the form of vouchers to be redeemed against agricultural inputs) from commercial banks to be repaid after selling their harvest in 2010.

Asia

Far East

Near record crop overall, but poor monsoon and floods reduce 2009 cereal harvest in some countries



Note: Comments refer to situation as of November.

Harvesting of the 2009 main season rice crop is either completed or drawing to a close in the subregion. FAO forecasts the 2009 aggregate output of cereals (including rice in paddy equivalent) at 1.07 billion tonnes, just below last year's record harvest of 1.09 billion tonnes but still above average the of the previous five years. In some countries, however, in spite of the incentive of attractive prices and agricultural input support programs in several countries, poor weather has dampened hopes of a good crop. Harvest of rice, the major staple cereal in the sub-region accounting for about 50 percent of the total, due to significant losses from this year's droughts and floods in some countries, is forecast at 601 million tonnes, or 2.7 percent below the bumper harvest of 2008. The increase in the wheat crop, harvested earlier in the year, was not enough to compensate for the anticipated loss in the current rice crop.

The major decrease in this year's total cereal output, primarily that of summer crops such as rice and coarse grains, is expected in **India**, **Japan**, the **Republic of Korea**, **Lao People's Democratic Republic** and **Sri Lanka**. On the other hand, better than last year's harvest is forecast in countries such as **Cambodia**, **Indonesia**, **Democratic People's Republic of Korea**, **Malaysia**, **Myanmar** and **Pakistan**, which were less affected by the irregular monsoon season. The remaining countries, namely **Bangladesh**, **Bhutan**, **China**, the **Philippines**, **Thailand** and **Viet Nam** are expected to produce total cereal output this year more or less similar to that of the year before.

Winter and spring wheat was harvested earlier in the year and produced a record aggregate level reaching 223 million tonnes mark, over 3 percent on the previous high obtained in

Table 10. Asia cereal production (*million tonnes*)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast
Asia	**285.4**	**278.6**	**296.6**	**269.3**	**276.4**	**268.5**	**601.5**	**623.0**	**606.4**	**1 156.2**	**1 178.0**	**1 171.5**
Far East	**211.9**	**216.1**	**223.1**	**242.9**	**255.4**	**244.7**	**595.8**	**618.1**	**601.3**	**1 050.6**	**1 089.7**	**1 069.1**
Bangladesh	0.7	0.9	1.0	0.4	0.5	0.5	43.4	47.0	47.3	44.6	48.4	48.7
China	109.3	112.5	115.0	163.6	175.9	167.2	187.4	193.4	197.2	460.3	481.7	479.4
India	75.8	78.6	80.6	40.4	37.0	33.8	145.0	148.7	125.6	261.2	264.3	240.0
Indonesia	0.0	0.0	0.0	13.3	16.3	17.0	57.2	60.3	62.6	70.4	76.6	79.6
Pakistan	23.3	21.5	24.0	4.2	3.7	3.7	8.3	10.4	9.6	35.8	35.6	37.3
Thailand	0.0	0.0	0.0	4.1	4.5	4.5	32.1	31.7	31.8	36.2	36.1	36.3
Viet Nam	0.0	0.0	0.0	3.6	3.7	3.7	35.9	38.7	39.0	39.5	42.4	42.8
Near East	**45.9**	**35.6**	**44.6**	**20.6**	**16.2**	**18.9**	**5.0**	**4.2**	**4.5**	**71.5**	**56.0**	**68.0**
Afghanistan	4.3	2.6	5.1	0.8	0.6	0.8	0.6	0.6	0.7	5.7	3.9	6.6
Iran (Islamic Republic of)	15.0	9.8	13.0	5.1	2.9	3.2	3.3	2.6	2.8	23.5	15.3	19.0
Turkey	17.2	17.8	20.5	11.4	10.8	12.0	0.6	0.8	0.8	29.2	29.3	33.2
CIS in Asia	**27.5**	**26.8**	**28.8**	**5.8**	**4.8**	**5.0**	**0.7**	**0.6**	**0.7**	**34.0**	**32.2**	**34.4**
Kazakhstan	16.4	16.0	17.0	3.2	2.4	2.6	0.3	0.3	0.3	19.9	18.7	19.8

Note: Totals computed from unrounded data.

2008. Significant gains were made in the major wheat producing countries in the sub-region, namely **China**, **India**, **Pakistan**, and **Indonesia**.

In **China** (Mainland), the harvest of the 2009 secondary spring wheat crop was completed in August and output is estimated at record 6 million tonnes. The 2009 aggregate wheat output is now estimated at a record 114.9 million tonnes, some 2.2 percent above the previous high set last year reflecting Government support and favourable weather. Harvesting of the 2009 maize crop is just completed and the annual output is estimated at 158 million tonnes, lower than the record level of last year but above the five-year average. Harvesting of the 2009 early rice crop, a small crop accounting for less than 20 percent of total annual paddy output, was completed in July. The output is estimated at some 38 million tonnes, about 3.3 percent above the good crop of last year, reflecting increased area and yields. The aggregate paddy output in 2009 is officially forecast at 196 million tonnes, some 2 percent up from last year's record. In view of this bumper harvest, China eliminated export taxes on some grains, including wheat (3 percent), rice (3 percent), and soybeans (5 percent), effective 1 July. China also eliminated special export taxes on some fertilizers.

In **India,** delayed and less than satisfactory monsoon season which brought in only 77 percent of the normal precipitation on average for the country as a whole is estimated to reduce significantly the harvest of the main season *kharif* crops. FAO preliminarily forecasts the total paddy crop at 126 million tonnes and total coarse grains at 34 million tonnes, about 16 and 9 percent below the record harvest of the year before, respectively. In view of the current drought affected rice harvest the Government has placed a ban on rice exports except for the basmati variety. Earlier in the season, the official support price of paddy was raised from INR 850 to 950 (USD 19.80) per quintal and similar increases were announced for some other food crops. Some of the loss in rice production is compensated by a record harvest of wheat earlier in the year estimated at 80.6 million tonnes. In spite of the expected reduced total food grain production of this season, the overall food security in the country is considered satisfactory given the high level of public food stocks on hand and the distribution of highly subsidised rice or wheat especially for the below-poverty line families under the National Food Security Act.

In **Pakistan**, harvesting of the 2009 paddy crop is underway. Total paddy output is forecast at a record level of 9.6 million tonnes. Wheat crop harvested in June is also estimated at a record output of 24 million tonnes, some 3 million tonnes more than last year, reflecting a higher government supported purchase price of PKR 950/40 kg (USD 11.40), favourable weather, and subsidised fertilizers. As a result of the large wheat production, the country is expected to switch back to be a net wheat exporter in 2009/10. In September the Government removed the 35 per cent wheat export duty. Rice exports during 2010 are expected to be around 3 million tonnes.

In **Thailand,** the world's largest rice exporter, 2009 paddy production is preliminarily forecast at 31.8 million tonnes, higher than 2008 and the average of the last five years but slightly below the record harvest in 2007. Rice exportable surplus for next year is estimated at about 8.6 million tonnes, similar to that of 2009 but down from the near record level of about 10 million tonnes in 2008. The Government had set the farmers guaranteed price for second-crop paddy at THB 11 800 (USD 332) per tonne under a new intervention scheme starting on March 16 and running through July. The intervention program has reportedly led to the procurement of 4.1 million tonnes of paddy, valued at THB 46 million (USD 1.4 billion). A record harvest is officially forecast for 2009 paddy crop in **Viet Nam** resulting in a near record potential exportable surplus of about 6 million tonnes of rice for 2010. Reportedly the state-owned companies have been instructed to buy as much as 2 million tonnes of rice to support the production of the second season paddy rice crop.

Higher exports and lower imports will keep total cereal trade volume almost unchanged

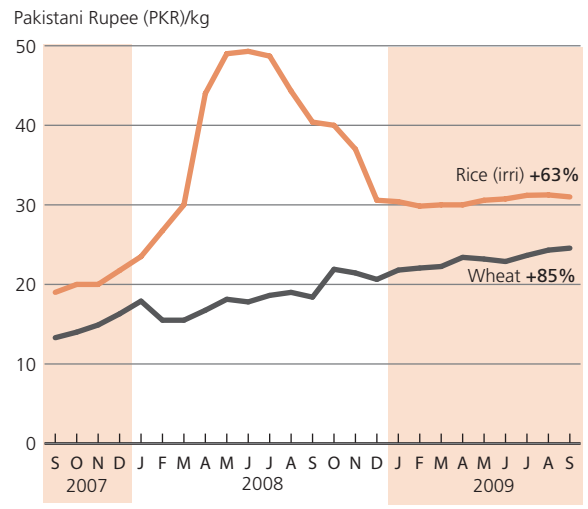
The Far East subregion, in general, is a net exporter of rice and net importer of wheat. In 2010, in spite of a small decline in the 2009 rice production, the improved carry over stocks from the record harvest of 2008 are expected to contribute to a rise in rice exports (i.e. in exportable surplus), as compared to the year before, from the major rice exporting countries of the subregion such as Thailand, Viet Nam and Pakistan. Record harvest of 2009 aggregate wheat crop, on the other hand, is expected to increase exports and reduce gross and net imports for the 2009/10 marketing year (mostly in 2010) over the corresponding figures of the year before of several countries, namely the Philippines, Bangladesh, Pakistan and China (see Table 11). Total trade, the sum of the imports and exports, of wheat and rice together, is forecast to remain almost unchanged. However, an increased export supply and reduced import demand would have softening effects on the international prices of these commodities, other things being equal.

Food prices are still high in several countries

Nominal prices of staple food commodities, mainly rice and wheat, have declined from the 2008 peak but remain significantly higher in comparison to the pre-2008 food-crisis levels in several countries. The price impact on overall food consumption of the vulnerable population is still expected to be substantial.

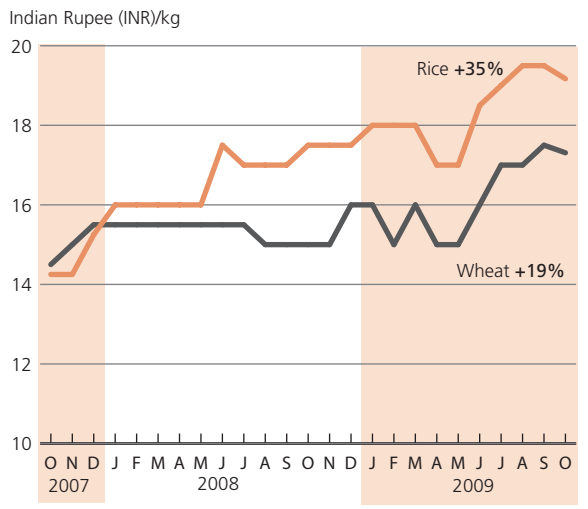
In **India,** basically a non-trading country this year, rice price in Mumbai, for example, increased sharply since June in anticipation of the drought affected harvest of the main Kharif season and were 35 percent higher in October 2009

Figure 15. Retail prices in Multan, Pakistan



Source: Pakistan Bureau of Statistics.
Note: Percentages indicate change from 24 months earlier.

Figure 16. Retail prices in Mumbai, India



Source: Ministry of Consumer Affairs.
Note: Percentages indicate change from 24 months earlier.

compared to the same month 2 years earlier. Wheat prices followed the same trend in recent months but due to good domestic production are only 19 percent above the level of two years earlier. This rise is slightly higher than the general inflation in the economy.

In **Pakistan**, one of the major rice exporter, the domestic price has more-or-less followed the pattern of the international export prices (Thai price, for example). In nominal terms the latest monthly retail price of rice in the central location of Multan is 63 percent higher than the corresponding price 24 months back. The retail prices of wheat, both nominal and real, on the other hand have steadily climbed up over the last 24 month period. Wheat price in Pakistan is affected by cross-border exports to neighbouring Afghanistan.

In the **Philippines**, a net rice importing country, the national average rice price has followed the Thai export price in USD terms very closely. In nominal terms the retail price of rice in September 2009 was some 30 percent higher than the corresponding price two years ago. Domestic maize prices currently have come down due to the record harvest in 2009.

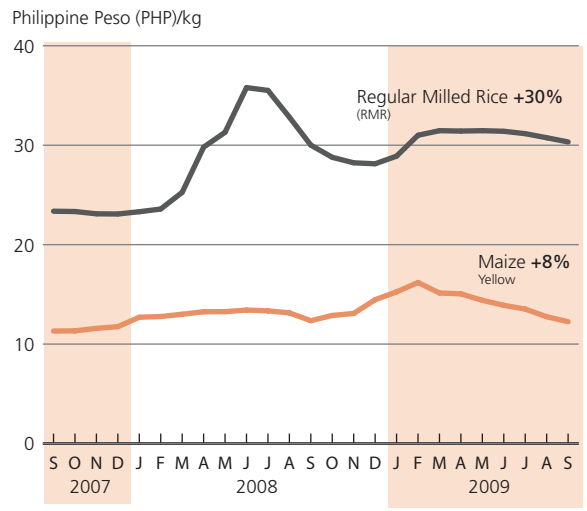
In **Bangladesh**, staple food prices have declined to the pre-2008 food-crises levels. The retail price of rice (national average) was 19 rupee/kg in September 2009, 40 percent below the peak in April 2008 and 12 percent below that in September 2007. The retail price of wheat flour (national average) was reported

Table 11. Far East – Indicative anticipated trade of rice and wheat in 2009/10 *(thousand tonnes)* [1/]

	2008/09	Avg. 2004/05-2008/09	2009/10	2009/10 over 2008/09 (%)	2009/10 over average (%)
Exports					
Rice (milled)	24 009	23 729	24 613	2.5	3.7
Wheat	2 678	3 000	4 440	65.8	48.8
Imports					
Rice (milled)	8 090	8 272	7 670	-5.2	-7.3
Wheat	30 936	30 808	28 539	-7.7	-7.4
Net position					
Net exports of rice	15 919	15 457	16 944	6.4	9.6
Net imports of wheat	28 258	27 808	24 099	-14.7	-13.3
Total trade volume [2/]					
Rice (milled)	32 099	32 001	32 283	0.6	0.9
Wheat	33 614	33 808	32 979	-1.9	-2.5
Rice and wheat	65 713	65 809	65 262	-0.7	-0.8

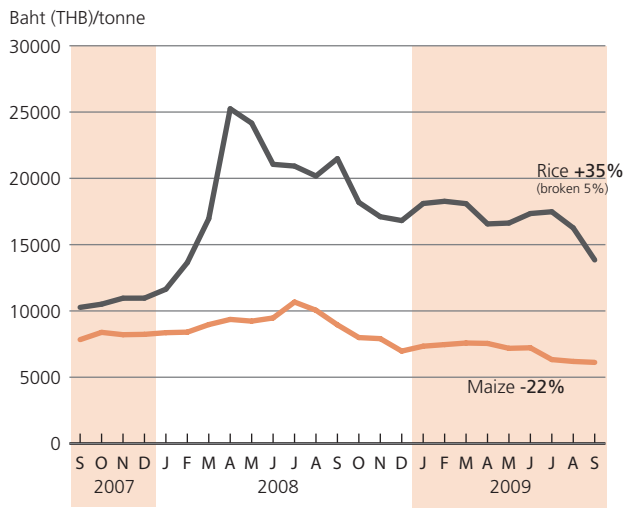
1/ Rice trade figures for most countries are for the second year shown; wheat is for July/June marketing year for most countries.
2/ Imports plus exports.

Figure 17. Retail prices in the Philippines



Source: Bureau of Agricultural Statistics.
Note: Percentages indicate change from 24 months earlier.

Figure 18. Wholesale prices in Bangkok, Thailand



Source: Bank of Thailand.
Note: Percentages indicate change from 24 months earlier.

at 15.3 Rupee/kg in September 2009, 51 percent below that in September 2008 and 35 percent below the same month two years ago.

Near East

Across the subregion, planting of 2010 winter cereal crops is expected to start in November with the arrival of first seasonal precipitations. Cereal production in 2009 is estimated at 66.3 million tonnes, compared to last year's output of 56.5 million tonnes, when extreme drought conditions decimated crops. Wheat and barley crops, harvested between June and August, have been favoured by above average and well distributed rainfall in the main producing countries such as **Turkey**, the **Islamic Republic of Iran** and **Afghanistan**.

On the contrary, in **Iraq**, generally unfavourable weather conditions for most of the cereal cropping season led to drastic reductions of winter cereals. Water shortages and high soil salinity have hampered cultivation compelling farmers to reduce their level of planting, often decreasing by as much 50 percent. Aggregate output of wheat and barley in 2009 is estimated at a low level of 1.8 million tonnes, slightly higher than 2008 production level that was the smallest crop in recent history. In **Israel**, 2009 wheat production is estimated at 80 000 tonnes, 35 percent higher than in the previous year, but still well below the previous five-year average of about 130 000 tonnes as a consequence of the continued drought conditions in the Negev region, the largest wheat growing area in the country. In **Yemen**, a recent FAO/WFP Crop and Food Security Assessment Mission has estimated 2009 cereal crops production at average level. However, the food security situation is worsening in the northern Governorates of Sa'ada and Amran where, due to the escalating conflict, the number of IDPs increased from 100 000 to 150 000 people in the last three months.

In the **Islamic Republic of Iran**, the wheat harvest gathered in June-July 2009, estimated at 13 million tonnes, indicates a recovery over the drought-affected harvest of 2008. This output is still below the five-year average production level of 13.63 million tonnes and much below the record harvest of 15 million tonnes obtained in 2007. With this level of domestic supply the country would need to import some 3.5 million tonnes of wheat during the 2009/10 marketing year (Apr/Mar), much below the estimated imports of 8.5 million tonnes in 2008/09. In **Afghanistan,** thanks to the well distributed rainfall, increased use of improved seeds and chemical fertilizer, and the expansion in area planted possibly due to the successful poppy reduction program, the winter and spring wheat is officially estimated at a record level of 5.06 million tonnes representing a 93 percent increase over the drought affected output of 2008.

Asian CIS

In the eight Asian CIS countries, harvesting of the 2009 cereal crops are close to the end. The aggregated cereals output is estimated at the record level which is 34.2 million tonnes or 7 per cent higher than in 2008. Production rose in most Central Asian countries due to favourable weather and increased sown area by 6 per cent. The cereals harvest was slightly lower than the previous year in Azerbaijan and significantly lower in Armenia and Georgia, by 13 and 8 per cent respectively.

In **Kazakhstan**, this year's cereals production was 19.8 million tonnes, 6 percent higher than in the previous year and 23 percent above the average harvest for the last five years. The increase reflects larger plantings (by 8 percent) only partly offset by slightly lower yields. The export of cereals from Kazakhstan in the 2008/09 marketing year declined to about 6.2 million tonnes. For the 2009/10 marketing year, an increase in exports by some 6 per cent is currently forecast. Plantings of the 2010 crop (mostly next spring) are planned to increase by 8.3 percent and production is preliminarily forecast to be some 6 percent above this year.

Cereal production in **Tajikistan** in 2009 was a record of over 1 million tonnes, 29 percent above 2008 production and sharply above the previous five-year average. Tajikistan still depends on import of cereals especially wheat. Wheat imports in 2008/2009 were about 1 million tonnes, but could decline in 2009/10 reflecting the higher domestic output.

In **Kyrgyzstan**, total cereal production in 2009 has increased by 9 per cent, with wheat output rising by 16 percent. This reflects an expanded planted area and higher yields due to favourable weather conditions. Kyrgyzstan still imports significant amounts of wheat from Kazakhstan because the poor quality of the wheat produced inside the country. **Turkmenistan** and **Uzbekistan** also produced larger harvests of cereals including wheat in 2009; both countries are considering increasing the wheat planted area this year by cutting the cotton areas which face irrigation problems.

In **Armenia**, it is estimated that cereal output fell in 2009 by 13 percent due to drought in several regions of the country. In **Azerbaijan**, a total 2009 crop close to the previous year was harvested. Next year's cereal production is expected to decline partly due to lack of inputs and fertilizes in the country. Unfavourable weather conditions and lack of equipment have resulted in a low harvest of cereals in **Georgia**, 8 percent below 2008 and 25 per cent below the average output for the previous five years. Adverse weather conditions were responsible for an overall decline in the area sown to cereals by about 10 per cent and lower yields of winter-sown wheat and barely, only partly compensated by above-average yields for maize.

How China stabilized grain prices during the recent global food price crisis

The Government of China (GOC) considers self-sufficiency in food production and food security a top national priority. Major food policy objectives of the Chinese government in recent years include food self-sufficiency (especially in rice, wheat, and maize), ensuring urban food supply at stable prices and raising farmers' income.

Main measures implemented

Price stability has always been important to China's government. Faced with soaring international food and fuel prices and sharp rises in domestic food prices and inflationary pressures since mid-2007, the central government has responded with an increased level of government intervention in the market and with various measures, such as increasing grain production, maintaining domestic supplies, and stabilizing domestic grain prices. These measures include:

1) Grain production policies to support grain production and farmers' income, which included raising minimum procurement prices for rice and wheat and increased non-price subsidies to grain production.

The government initiated the minimum price scheme in 2004 as an incentive for increasing production of rice and wheat. The minimum prices in 2004 for early rice and japonica rice were announced at RMB 1 400 and RMB 1 500 per tonne respectively. The floor price levels remained unchanged in 2005, 2006, and 2007. However, in 2008 as a production incentive measure, the central government increased the floor price per tonne by RMB 100 for early indica rice, RMB 140 for Japonica rice, 100 for white wheat, and 160 for red/mixed wheat as compared to the previous year. The government announced in 2009 a further increase of rice and wheat floor prices, by 15 percent and 16 respectively.

Non-price government support programmes, 2005-2008 *(billions)*

	Direct payment	Seed subsidy	Machinery subsidy	Fuel/fertilizer subsidy	Total
2005					
CNY	13.2	3.9	0.3	0	17.4
(USD)	(1.7)	(0.5)	(0.0)	(0)	(2.3)
2006					
CNY	14.2	4.1	0.6	12.5	31.4
(USD)	(1.9)	(0.5)	(0.1)	(1.7)	(4.1)
2007					
CNY	15.1	6.7	2.0	27.6	51.4
(USD)	(2.1)	(0.9)	(0.3)	(3.7)	(6.8)
2008					
CNY	15.1	12.1	4.0	63.8	102.9
(USD)	(2.2)	(1.8)	(0.6)	(10.3)	(14.8)

Sources: MOA of China, USDA/FAS and FAO estimates.

Non-price Government Support Programmes include direct payments, seed subsidies, subsidies for farm machinery, and subsidies for farm use of fuel and fertilizers. The funds allocated to support these programmes are summarized in the table. The support levels have been increased substantially year by year to sustain grain production. Total aggregated subsidies in these programmes in 2008 reached RMB 102.9 billion (or USD 14.8 billion), double the previous year and over 3-1/2 times the amount granted in 2006. On a per hectare basis, total subsidies increased from USD 51 per hectare in 2006 to USD 166 in 2008 and on a per tonne basis, they increased from USD 10 in 2006 to about USD 33 in 2008.

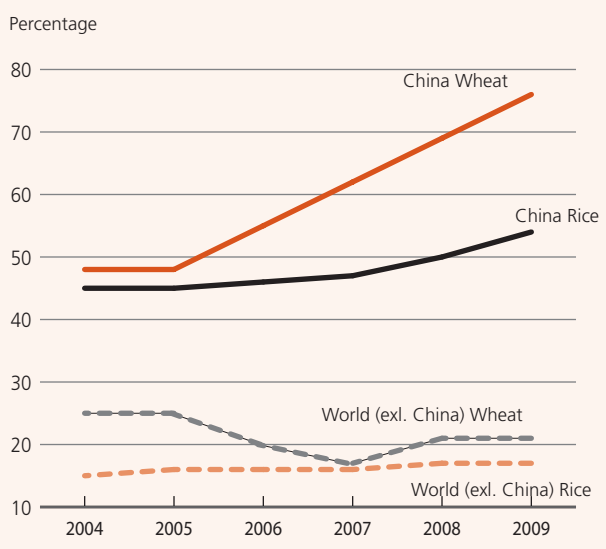
2) Tightening grains and fertilizer export policies, including withdrawing rebates of value-added taxes (VAT) that encouraged maize and rice exports and bio-fuel products, introducing temporary export taxes on grains and fertilizers, introducing a grain export license.

Effective 20 December 2007, the Chinese government removed the export rebate (13 percent) on wheat, paddy rice, rice (milled), corn, other cereals, soybeans, and their derived flour by-products. Effective 13 June 2008, the Value Added Tax (VAT) rebate for exports of some vegetable oils was also eliminated. The export rebate (or VAT rebate) had been part of the tax incentive policy implemented to encourage exports of all categories of commodities since the 1980s.

3) Grain stock and marketing interventions, including an increase of the State controlled grain reserves through temporary procurement of rice and maize and transportation cost subsidies to move grains from the northeast provinces, the major grain surplus region, to grain deficit provinces of the country.

The above-mentioned three policy measures have effectively stabilized domestic grain prices and increased grain availability in China in recent years (see below for details).

Ratio of ending stocks to utilization in China and in the rest of the world



Grain output to rise for sixth consecutive year

The increased prices and government subsidies have encouraged farmers to plant more rice, wheat, and maize. The total grain (rice, wheat, and maize) area in 2008 reached 81.9 million hectares, 3.9 percent above the previous five-year average. The output of the three grains in 2008 reached a record of 406.7 million tonnes, 17.6 million tonnes or 4.5 percent above the previous year, marking the fifth consecutive year output increase. Higher grain production was achieved in spite of natural disasters and difficult domestic and international economic environments. Out of the total grain output in 2008, rice accounted for 132 million tonnes, with an increase of 4.8 million tonnes from the previous year, reflecting both large area and higher yields per hectare; the output of wheat was 112.5 million tonnes, some 2.6 million tonnes over that in the previous year, while maize output was 162 million tonnes, 10.2 million tonnes larger.

Overall cereal supply situation satisfactory and ratio of stocks to utilization increased significantly

The combination of grain export restriction measures and grain reserve accumulation measures brought domestic grain markets under control.

Ending stocks of rice, wheat and maize are now estimated to be much higher than in previous years. From 2004 to 2009, the ratio of ending stock to domestic utilization in China is estimated to have increased from 45 percent to 54.5 percent for rice and from 48 percent to 76 percent for wheat. These ratios are over three times as large as those for the rest of the world, highlighting the importance the Government of China places on national food security.

Domestic rice, wheat and maize prices stabilized

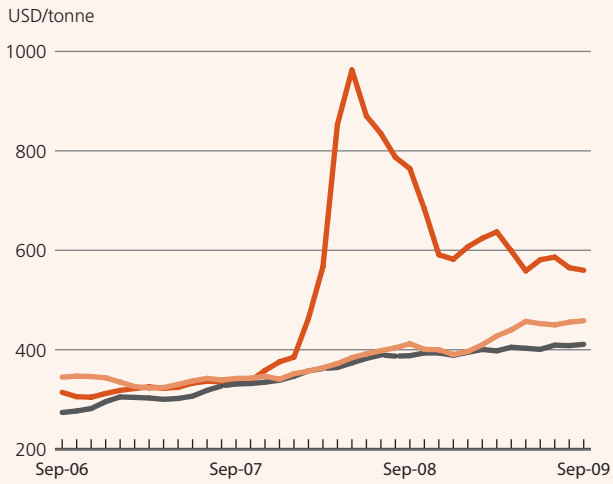
The price of Thai 100% B second grade, f.o.b. Bangkok (the benchmark price for rice in international markets) in May 2008 recorded its peak level at USD 963/tonne (or RBM 6 713/tonne), 150 percent above that in January 2008 and about twice as high as a year earlier. By contrast, the domestic price of rice in China rose by only 10 percent (in nominal terms) for Japonica and 14 percent for Indica rice over the same period (See figure below). It is worth noting that while rice prices in China in May 2007 were almost the same as that for the Thai 100% B f.o.b. price, they were only about 40 percent the Thai prices in May 2008.

The average price for 2008 for the Thai 100% B rice was USD 697/tonne or RMB 4 700/tonne, 125 percent above that

in 2006. In contrast to the world market price, rice prices in China in 2008 were RMB 2 701/tonne for Japonica variety and RMB 2 673/tonne for Indica variety, only 3 percent and 20 percent, respectively, over the average price in 2006.

Similar to the case for rice, China also avoided the price surges for wheat and maize which occurred in the world market. In the two years from 2006 to 2008, the domestic price in China increased by only 17 percent for wheat and 23 percent for maize, compared with the increase in the world market of 73 percent for wheat (US No.2, Hard Red Winter, US f.o.b. Gulf) and 34 percent increase for maize (US No.2, Yellow, U.S. Gulf) in terms of US dollars, and 51 percent and 61 percent in terms of the Chinese Yuan.

China - Domestic and international rice prices



Source: Private Company; Jackson Son and Co. (London) Ltd.

Recent policy developments in Asia

Bangladesh
23-10-2009: The Government removed the ban on rice exports imposed in November 2008 and has allowed private traders to export 10 000 tonnes of aromatic rice from 1 September to 31 December 2009.

China
12-10-2009: The State Council raised the minimum purchase price of wheat by CNY 60 per tonne to CNY 1 720 - 1 800 (USD 252 - USD 264 per tonne). The rice minimum purchase price would also be increased. The Government will also continue buying other major crops, including maize, soya beans and rapeseed, for state reserves to stabilize domestic output.

23-10-2009: Export taxes on wheat and rice (3 percent), wheat flour, wheat starch and rice flour (8 percent), soybean (5 percent) and soy flour (10 percent) have been removed. Maize export taxes were already removed in 2008.

India
20-08-2009: The Government has increased by 5.40 percent the minimum support price for rice to INR 950 per kilogrammes (USD 198 per tonne).

22-10-2009: The Government has lowered by 18 percent the minimum export price for basmati rice from USD 1 100 per tonne fixed in January 2009 to USD 900 per tonne.

22-10-2009: Duty-free sugar imports have been extended until March 2010 for raw sugar and up to November 2009 for white sugar.

22-10-2009: The Government has announced that it will continue the ban on export of non-basmati rice introduced in 2008, in view of an expected historical-low rice crop in the 2009/2010 crop year. According to the new arrangements the ban will remain in place until the middle of 2010.

22-10-2009: The Government has announced the sale of a further 1 million tonnes of wheat from strategic reserves under the open market sale scheme (OMSS), after the open market sale of 3 million tonnes of wheat and 2.5 million tonnes of rice from state reserves on 18 August 2009.

27-10-2009: The Government announced the removal of the 70 percent import tax on certain varieties of rice to boost supplies, after late and uneven monsoon rains led to a significant reduction in the main (Kharif) crop plantings and production. Duty-free imports of semi- and wholly-milled rice will now be permitted until 30 September 2010.

Indonesia
22-10-2009: The Logistics Agency (Bulog) is planning to release 2 250 tonnes of rice through a market operation to avoid price spikes before the harvest of the second season.

Japan
22-10-2009: Japan is cutting the price at which it sells imported wheat to domestic flour millers by an average 23 percent to JPY 49 820 (USD 549) per tonne.

Pakistan
23-10-2009: To counter rising food prices, particularly for sugar, the Lahore High Court ordered traders to ensure a retail price of PKR 40/kilogramme (USD 0.50), 27 percent lower than the peak of the last month.

23-10-2009: The Government has removed a 35 percent export duty on wheat products. The ban was imposed in 2007 because of shortages and high domestic prices.

Philippines
28-10-2009: The National Food Authority announced that it will allow private-sector traders to import up to 563 000 tonnes of rice annually. The measure aims at enhancing market participation ahead of liberalization of the sector, including the removal of quantitative restrictions on imports, in 2012.

Sri Lanka
23-10-2009: Fertilizer subsidies in Sri Lanka continue. The Government is supplying to each farmer five kg. of fertilizer worth LKR 9 000 (USD 78.60) at LKR 350 (USD 7.50), to support rice cultivation.

Thailand
21-10-2009: On July 17th the National Rice Policy Committee agreed to release 763 920 tonnes of intervention rice stocks from the marketing year 2008/09, including 300 000 tonnes of fragrant rice, through tenders for domestic and export markets.

22-10-2009: The Government rice intervention scheme due to end on 30 July 2009 has been reinstated in September for a month following protests. The price of USD 535 per tonne for benchmark 100 percent B grade white rice has been maintained.

Viet Nam
08-09-2009: The Viet Nam Food Association (VFA) confirmed the purchase of 400 000 tonnes of husked rice for state reserves under the first phase of the procurement plan announced by the Government in mid-June. Under the plan, the VFA is instructed to buy two million tonnes of summer-autumn rice to prevent a fall in domestic prices at the peak of the harvest, when export demand is low.

22-10-2009: Viet Nam will ban rice export to destinations where sales would be in competition with Government contracts handled by the top two state controlled exporters. According to the Viet Nam Food Association, from 10 August, exporters will not be allowed to sell rice to foreign companies that have signed government-backed deals, or to foreign traders who compete in the markets where Viet Nam aims at signing such contracts.

Kazakhstan

28-10-2009: the Agriculture Minister announced that, in an effort to improve the competitiveness of its grain exports, it would spend USD 33 million in subsidizing shipments to Baltic and Black Sea ports.

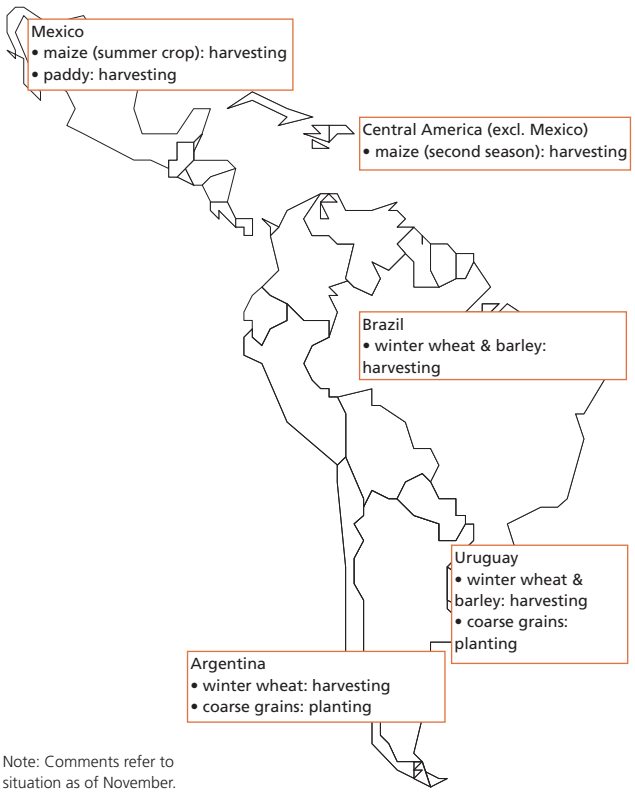
Latin America and the Caribbean

Central America and the Caribbean

The 2009 aggregate cereal output of the Central America and the Caribbean subregion is forecast by FAO at 41.2 million tonnes, about 3 percent or 1.4 million tonnes below last year's record level but still 2.4 million tonnes above the average of the previous five years.

In **Mexico**, harvesting of the 2009 main rain-fed summer coarse grain crops, accounting for approximately 75 percent of the annual production, is underway in the states of Guanajuato, Mexico, Jalisco and Puebla. Despite the intense drought in some of the above mentioned states including Aguascalientes during the month of July with an estimated of 840 000 ha affected, production is expected to be very similar to the record level obtained in 2008. In fact, in September, increased water availability recorded in most of the farming states coupled with programmes for resowing short cycle crops and feedcrops improved crop prospects. The sorghum summer crop is being harvested. The outlook for the 2009 production is very favourable with a record output of 6.2 million tonnes expected. As regards next year's crop, land is being prepared for planting the important winter wheat crop for harvest in 2010 in the almost fully irrigated areas of north-western states.

In **Guatemala**, which suffered from a prolonged mid-summer dry spell period during 2009, precipitation levels were below normal in the region of the Oriente *dry corridor*. This caused a decline in *primera* bean and maize harvests in some localized areas and reduced plantings of the *postrera* crop season. However, this may not have had a strong impact on aggregate national production since damages were localized and partly offset by larger production in areas where a number of farmers had planted early benefiting from the first rains in May. Rains in early November were too late to improve the crop outlook.



Note: Comments refer to situation as of November.

In **Costa Rica**, **El Salvador**, **Honduras** and **Nicaragua**, harvesting of the 2009 first season maize crop is approaching completion. Planting of the second season crops, especially beans, has been affected by dry weather in parts. Heavy rains in the first week of November resulted in flooding and landslides in El Salvador and Nicaragua causing loss of life and damage to

Table 12. Latin America and Caribbean cereal production (*million tonnes*)

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast
Latin America & Caribbean	**27.0**	**21.1**	**20.5**	**127.7**	**137.7**	**118.3**	**24.5**	**26.4**	**27.4**	**179.2**	**185.2**	**166.2**
Central America & Caribbean	**3.6**	**4.0**	**4.1**	**34.0**	**36.1**	**34.5**	**2.4**	**2.5**	**2.6**	**40.0**	**42.6**	**41.2**
Mexico	3.6	4.0	4.1	29.7	31.9	30.1	0.3	0.2	0.2	33.5	36.1	34.4
South America	**23.4**	**17.1**	**16.4**	**93.7**	**101.7**	**83.8**	**22.1**	**23.9**	**24.8**	**139.2**	**142.6**	**125.0**
Argentina	16.3	8.3	7.5	26.6	27.0	16.7	1.1	1.2	1.4	44.0	36.6	25.6
Brazil	4.1	5.9	5.3	53.9	61.6	53.7	11.3	12.1	12.6	69.3	79.6	71.5
Colombia	0.0	0.0	0.0	1.9	1.9	1.8	2.4	2.4	2.6	4.3	4.3	4.5

Note: Totals computed from unrounded data.

infrastructure and agriculture. Damage to cereal and bean crops has not yet been assessed.

The cropping season was also favourable in **Haiti**, where harvesting of first season maize has been completed in July-August and planting of the second season crop, to be harvested by the end of the year, is well advanced. The total 2009 maize production is tentatively forecast at 230 000 tonnes, 15 percent above 2008 and 12 percent larger than the previous five years average. This result is mainly due to an increase by 10 percent in planted area of maize and to the positive effects of well distributed precipitations coupled with Government subsidies for inputs.

In **Jamaica**, harvesting of the 2009 main season's maize crop is completed, with production estimated to be below average. Despite above average rainfall recorded at the beginning of the main rainy season (April-September), rainfall deficits were observed between June and September. Since approximately 95 percent of the cultivated land for cereals is under rain-fed conditions the low cumulative rainfall level has negatively affected yields per hectare.

In **Cuba** preliminary estimates of the important 2009 main paddy crop, harvesting of which is underway, are positive. Production is estimated at a record level of about 500 000 tonnes well above the 2008 already good production (436 000 tonnes). The favourable production prospects reflect an increase in area planted, by almost 15 percent, compared to 2008, and the implementation of Government policies to boost domestic staple food production.

Despite a recent downward revision of the estimate, rice paddy output in **Dominican Republic** in 2009 is, at 788 000 tonnes, still 3 percent above 2008 and substantially larger than the previous five years' average.

South America

Harvesting of the 2009 winter wheat crop has started or is well advanced throughout the subregion. Aggregate wheat production for 2009 in South America is tentatively forecast at 16.4 million tonnes, 4 percent below the already poor 2008 crop and 22 percent lower compared to the average of the previous five years (21.1 million tonnes). The aggregate planted area was at a low level of 6.8 million hectares, largely as a consequence of the prolonged drought that affected Argentina since May.

In **Argentina** harvesting of the winter wheat crop is now starting in northeastern provinces and in the northern parts of Santa Fe. To date, yields recorded in these provinces are well below the average national productivity and preliminary crop forecast are unfavourable due to the critical weather conditions during the key developing stages of the crop. By contrast, although the harvest has not yet started, prospects are favourable in the provinces of Entre Rios, southern of Santa Fe and most of the farming areas of Buenos Aires which might partially offset the low expected production of other regions. Nevertheless, the total 2009 wheat production is preliminarily estimated at only 7.5 million tonnes, one of the lowest outputs on record and about half the previous five-year average.

Given the low expected outcome for the current season, the wheat exportable surplus is likely to drastically drop in the 2009/2010 marketing year to only between 1.5 and 2 millions tonnes compared to 3.8 millions tonnes shipped in 2008/09 and more than 10 millions tonnes in 2007/08.

In **Uruguay** the 2009 winter wheat will be harvested starting from November in the producing states of Colonia, Soriano, Río Negro and Paysandú. Boosted by the low production costs (prices of urea declined by 48 percent and phosphate fertilisers by approximately 50 percent) compared to the same period of 2008, and by favourable weather, output is forecast to double compared to the already good result obtained in 2008, reaching 1.4 million tonnes. Uruguay is expected to expand wheat exports in 2009/10 as a result of the new market opportunities offered by Argentina's low production this year.

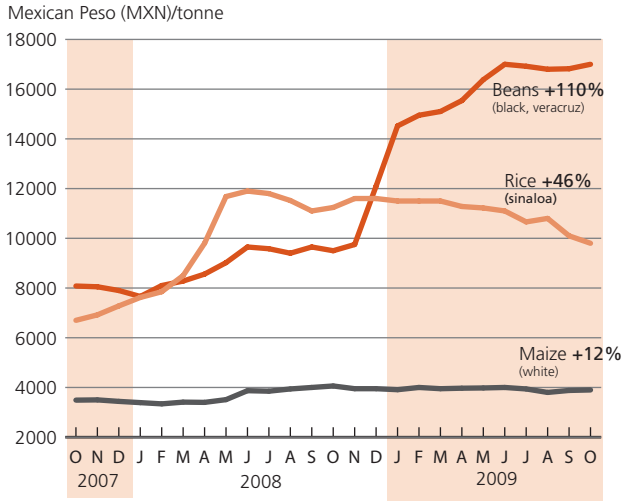
In **Brazil**, harvesting of 2009 winter wheat is already well advanced in the state of Paraná and just started in Rio Grande do Sul, the second main wheat producing state. Early forecast point to an expected production of 5.3 million tonnes, slightly below earlier projections and close to last year's near record output of 5.9 million tonnes. The favourable production expected is partly due to the Federal Government's measures aiming at reducing Brazilian reliance on external markets to supply its domestic demand.

Harvesting of the 2009 second season maize crop was completed in August and aggregate production (first and second season) for the South American subregion is estimated at 74.8 million tonnes, sharply below 2008 but close to the average of the previous five years. In **Brazil**, the main maize producer in the subregion, the 2009 aggregate maize output was 51.1 million tonnes, about 13 percent below the record level obtained in 2008. By contrast maize output fell sharply in Argentina to only 12.7 million tonnes, 42 percent below 2008.

Planting of the main summer maize crop for harvest in 2010 has started in all southern countries of the sub region and is approaching completion in several countries. In **Argentina**, official planting intentions point to an area of about 1.9 million hectares, 44 percent less than last year. This is primarily on account of the delayed start of planting caused by the low soil moisture levels. In addition to the water shortage, maize producers have serious financial constraints, reflecting low production in the last campaign, and low cereal market prices.

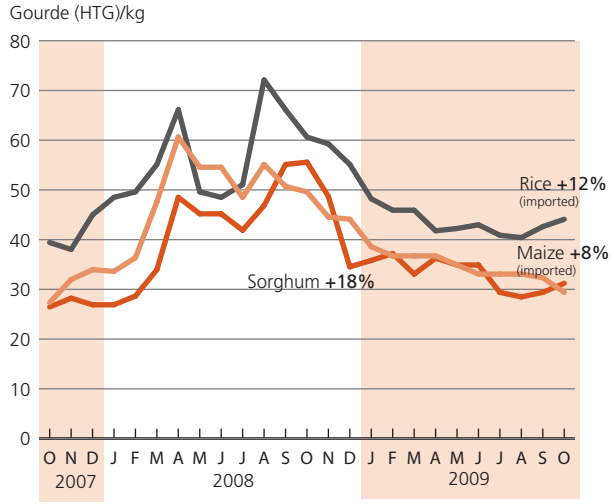
In **Brazil** planting of the 2010 main season maize crop began in September and benefited from abundant rainfall in most central and southern states. The high level and good distribution of precipitations boosted crop development in most parts of the

Figure 19. Wholesale prices of selected commodities in Mexico City, Mexico



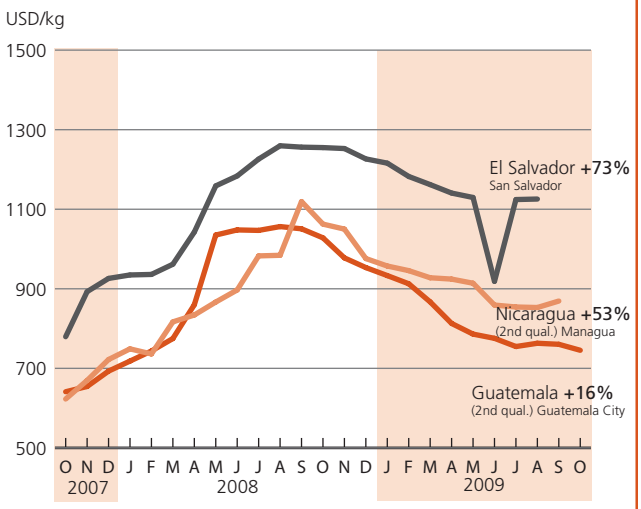
Source: Sistema Nacional de Información e Integración de Mercados.
Note: Percentages indicate change from 24 months earlier.

Figure 20. Retail prices for selected cereals in Port-au-Prince, Haiti



Source: Coordination nationale de la sécurité alimentaire.
Note: Percentages indicate change from 24 months earlier.

Figure 21. Wholesale rice prices in selected countries in Central America



Sources: Ministerio Agropecuario y Forestal, Nicaragua; Ministerio de Agricultura, Ganadería y Alimentación, Guatemala; Dirección General de Economía Agropecuaria, El Salvador.
Note: Percentages indicate change from 24 months earlier.

country but, despite the favourable weather conditions at sowing time, preliminary planting forecast point at 13.7 million hectares, which is some 4 percent below last year's acreage. In the North-East of the country plantings will commence in February.

Prices

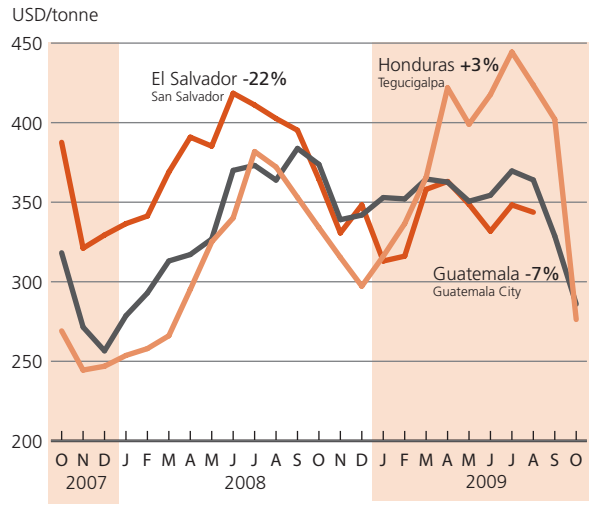
In Central American and Caribbean countries, staple food prices are gradually declining since peaking in mid-2008, although remaining generally well above the pre-crisis level.

In Guatemala the price of rice is continuing to decline owing to, but not only, the good 2009 domestic production now being harvested, which was not affected by drought. The wholesale price of white maize has also declined steadily and is now 14 percent below compared to October 2008 and somewhat below the pre-crisis level. Maize prices have also declined to below pre-crisis levels in Nicaragua and El Salvador reflecting generally favourable crops this year. By contrast, the price of maize *tortillas* has remained generally stable in the last 12 months. In Nicaragua, the wholesale prices of rice (2nd quality) in the capital Managua has decreased by approximately 10 percent in the last year, but it is still almost 53 percent higher than the pre-crisis level.

In Mexico, prices of black beans remain at record level. Prices began to climb at the beginning of 2008. This upwards movement is sustained by the unfavourable forecast for the production of spring-summer crops. In some of the main growing states namely Zacatecas, Chihuahua, Durango and Sonora, which account for more than 70 percent of the total national bean production, a decline in planted area by approximately 20 percent is reported for the 2009 season. In addition, high transportation costs and the lack of national stocks to supply the internal demand are contributing to the high price level.

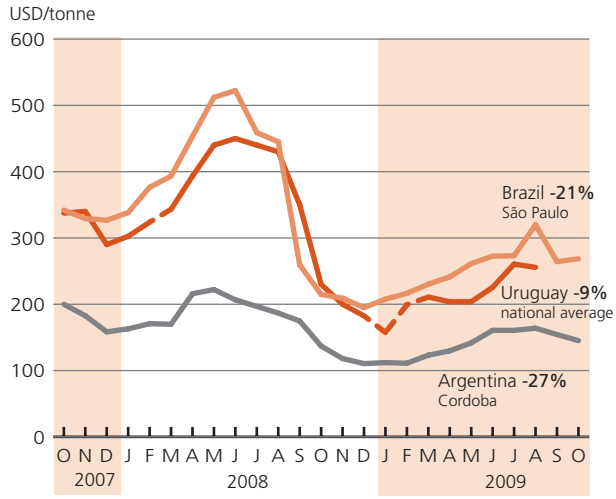
In Haiti, official estimates of the number of food insecure people continue to be revised downwards. According to the *Coordination Nationale de la Sécurité Alimentaire* (CNSA) by

Figure 22. Wholesale white maize prices in selected countries in Central America



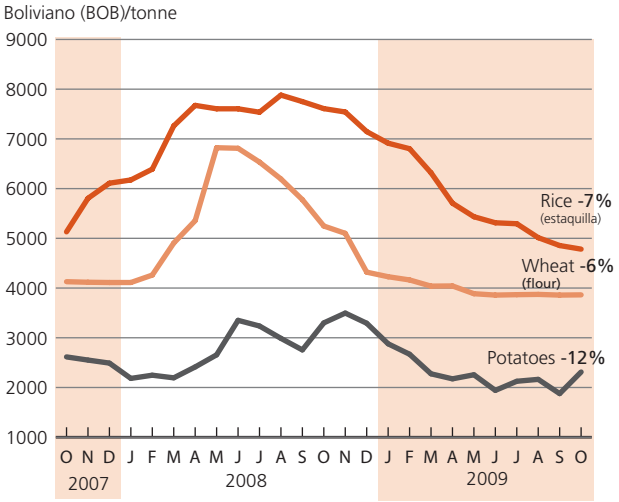
Sources: Secretaria de Agricultura Y Ganaderia, Honduras; Ministerio de Agricultura, Ganadería y Alimentación, Guatemala; Dirección General de Economía Agropecuaria, El Salvador.
Note: Percentages indicate change from 24 months earlier.

Figure 23. Wholesale wheat prices in Argentina, Brazil and Uruguay



Sources: Bolsa de Cereales, Argentina; Instituto de Economía Agrícola, Brazil; Ministerio de Ganadería Agricultura y Pesca, Uruguay.
Note: Percentages indicate change from 24 months earlier. Uruguay data from Aug. to Oct. 08 are missing (dashed line).

Figure 24. Wholesale prices of selected commodities in La Paz, Bolivia



Source: Servicio Informativo de Mercados Agropecuarios, Bolivia.
Note: Percentages indicate change from 24 months earlier.

the end of July, the population with food insecurity declined to 1.9 millions, 25 percent from the previous trimester's estimates. Domestic prices have declined or remained stable (except for a slight gain in the last months for rice and sorghum) since the peak of mid 2008. This is partially on account of the good production of 2008 and the estimated good output for 2009.

In South America, Argentinean domestic wheat prices have continued to move upward in the last months, starting from February 2009. The main driving factor is the drastic drop in wheat production that the country has experienced for two consecutive years. The wholesale price of wheat in the Cordoba market has increased by 10 percent between September 2008 and September 2009, and in the last three months alone prices surged by 13 percent reflecting the expectations of reduced planting and output for next year.

In Brazil which imports more than half of its domestic requirements, wheat price increased from December 2008 till August 2009 although they remain well below the level of two years ago as international prices weakened. Despite the good production obtained in the last two years, the country will still have to import more than half of its consumption needs in 2009/10, mostly relying on non-Mercosur countries. Domestic wheat prices are expected to continue to follow closely those in international markets.

In Uruguay, prices have risen steadily in the last year but are expected to move downwards thanks to the excellent wheat production that will arrive in the markets starting from mid-November.

Recent policy developments in Latin America and the Caribbean

Argentina

23-10-2009: Export restrictions on wheat and maize have been eliminated after main exporters and millers agreed to ensure adequate supplies for the domestic markets. The Government will grant export permits in 2009/10 in exchange for a commitment from exporters to guarantee 6.5 million tonnes of wheat and 8 million tonnes of maize for the domestic market. Moreover wheat and maize export taxes are to be eliminated for small and medium-sized farmers.

Brazil

30-10-2009: The Government has restricted import licences for wheat flour, wine and oils from Argentina to support the milling industry in the south of the country that has been affected by the Argentine incentives for wheat flour exporters.

North America, Europe and Oceania

North America

Winter wheat area set to fall again in the United States

In the **United States**, the winter wheat planting for the **2010** harvest was about 75 percent complete by late October, although behind the 5-year average pace of about 85 percent for the same time of the season. Delays have mostly been encountered in the Midwest and Delta areas where wet weather has hampered the harvest of the 2009 soybean crop. The land coming out of soybean is normally that which is dedicated to winter wheat in the following year. However, even before weather-related delays in these areas that would have an impact, if any, mostly on the final area sown to soft winter wheat, the overall winter wheat area for the 2010 harvest was already expected to decline for the second year in succession, in response to the downturn in prices compared to the levels a year ago. Early indications suggest the reduction could be in the region of about 3 percent from the previous year's level.

The latest official estimate of the United States **2009** wheat crop stands at 60 million tonnes, a well-above average crop, although 8 million tonnes below last year's record. As of late October, the 2009 maize harvest was reported to be about 20 percent complete, significantly behind the 5-year average for the same time of season, which is about 60 percent. Harvesting operations have been hampered by damp weather, raising concerns over grain quality and reducing the likelihood that this year's record yield forecast will materialize. The latest official forecast puts the 2009 maize crop at about 331 million tonnes, 7.6 percent up from last year and just marginally less than the 2007 record output.

In **Canada**, the bulk of the wheat is spring planted and the **2010** crop will not be sown until March-April next year. Latest information regarding the **2009** cereal harvest mostly confirms earlier expectations: output of wheat fell significantly to 24.6 million tonnes, 14 percent down from last year's crop due mostly to adverse early-season dry weather reducing average yields, while production of the other major cereals – barley, maize and oats – also fell, reflecting area reductions and lower yields.

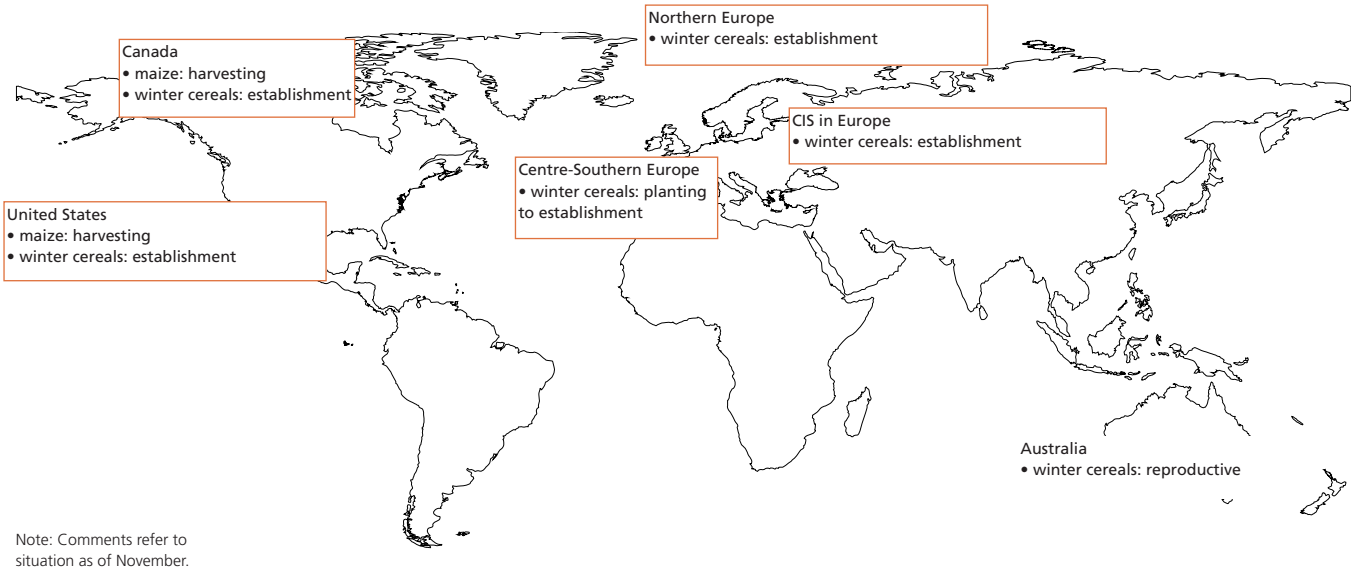
Europe

Winter grain planting well underway, dry conditions in some eastern parts

In the **EU**, the bulk of the winter grain crops have been sown throughout northern and central parts, but planting has yet to be completed in the south. Although firm estimates are still not available from many countries, early indications suggest that the overall wheat area may be slightly down from the previous year in response to lower prices and lower return expected for wheat compared to competing crops such as oilseeds. On top of this, while weather conditions have been generally favourable for sowing throughout most western parts, dry conditions have prevailed in some eastern countries, particularly in Romania and Hungary, hampering planting progress.

The EU's aggregate cereal output in **2009** is now estimated at 293 million tonnes, some 7 percent down from the previous year. Output of wheat fell by 9 percent while that of coarse grains fell by 6 percent compared to last year's bumper levels, but in both cases the outputs remained well above the five-year average.

In **European CIS** countries, harvesting of 2009 cereal crops has been completed and planting of winter cereals for harvest in 2010 has started. Total cereal production in the 4 Former Soviet Union republics in Europe (not including the three Baltic States)



Note: Comments refer to situation as of November.

was 145.4 million tonnes, some 16 million tonnes or 10 percent lower than in 2008. However, it was still 10 percent higher than the average of the previous five years and the second highest on record.

This year's good result reflects increased planted area. Yields were lower than in 2008 by 12 percent due to dry and cold weather at the beginning of the spring season reflecting also the weakness of agriculture infrastructure. Severe drought in parts of Russia, Belarus and Ukraine in July and August did not significantly affect crop output. As compared to the previous year, smaller wheat crops were harvested in Moldova, Russia and Ukraine. Coarse grain crops were also down in Moldova and Ukraine. Because of the reduced production this year, exports of both wheat and coarse grains from Russia and Ukraine are expected to be down in 2009/10. Government policy in these two countries is now focussed on supporting grain production and grain prices, though economic conditions are limiting the budgetary availability for this support. An important factor for this season's world wheat price developments will be the timing of the Russian government decision to begin its intervention campaign.

Planting of winter cereals for harvest next year has started with delays due to localised drought in several regions of Russia and the eastern part of Ukraine. However, recent rains have provided needed soil moisture but much will depend on the final level of plantings and on weather in coming months.

In the **Russian Federation,** output of cereals in 2009 was 93.3 million tonnes, some 10 per cent below the bumper year of 2008. The total cereals planted area increased by 3.7 per cent but yields were lower by 13 per cent due to unfavourable weather. Cereal exports in the 2009/10 marketing year are estimated to decline by 19 percent reflecting increased competition and decreased demand in the world grain market. Despite the expected slowdown in exports, both external and internal conditions for the export activity of Russia's grain suppliers in general have improved in October due to the strengthening of world prices which has increased the competitiveness of Russia's grain in international markets, despite the strengthening of the ruble. Larger winter wheat sowings, for harvest next year, are expected while barley plantings are anticipated to be lower compared to last year. Larger plantings are reported in the Volga region while the sown area in the Central Regions is declining as a result of very dry weather, particular in the eastern part of the region. Plantings are continuing.

In **Ukraine**, the 2009 cereal harvest, at some 42.2 million tonnes, was 13 percent less than the 2008 record, but still higher than average output in the previous five years. Ukrainian cereal exports in 2008/09 were 24.5 million tonnes, making Ukraine one of the leading exporters of wheat in the world. In marketing year 2009/10 cereals exports from Ukraine are expected to decline due to the lower harvest and decreasing demand in the world grain market.

Plantings of winter cereals for harvest in 2010 have stared in southern and eastern areas. Total plantings are forecast at almost at the same level as in the last year. Dry weather in August-September has affected some areas. Although the situation has improved following rainfall in late September and early October, the earlier dryness hampered the emergence and establishment of winter crops in significant areas of southern and eastern Ukraine.

Table 13. North America, Europe and Oceania cereal production (*million tonnes)*

	Wheat			Coarse grains			Rice (paddy)			Total cereals		
	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast	2007	2008 estim.	2009 f'cast
North America	**75.9**	**96.6**	**85.0**	**378.9**	**353.8**	**369.1**	**9.0**	**9.2**	**10.0**	**463.8**	**459.7**	**464.1**
Canada	20.1	28.6	24.6	28.0	27.4	22.5	0.0	0.0	0.0	48.1	56.0	47.1
United States	55.8	68.0	60.4	350.9	326.5	346.6	9.0	9.2	10.0	415.7	403.7	417.0
Europe	**204.7**	**243.3**	**226.1**	**197.5**	**249.5**	**226.8**	**3.6**	**3.5**	**3.9**	**405.8**	**496.3**	**456.8**
EU	120.1	150.4	137.1	138.0	163.2	153.0	2.8	2.6	3.0	260.9	316.2	293.0
Serbia	2.1	2.0	2.2	4.4	7.0	6.9	0.0	0.0	0.0	6.5	9.0	9.1
CIS in Europe	**79.5**	**87.9**	**83.9**	**49.9**	**73.1**	**60.9**	**0.8**	**0.8**	**0.9**	**130.3**	**161.9**	**145.7**
Russian Federation	63.8	61.2	61.0	30.2	41.7	31.7	0.7	0.7	0.8	94.7	103.7	93.5
Ukraine	13.9	24.2	20.5	13.8	24.4	21.6	0.1	0.1	0.1	27.8	48.7	42.2
Oceania	**13.9**	**21.7**	**23.0**	**10.0**	**13.4**	**13.1**	**0.2**	**0.0**	**0.1**	**24.0**	**35.2**	**36.2**
Australia	13.6	21.4	22.7	9.5	12.8	12.5	0.2	0.0	0.1	23.2	34.2	35.3

Note: Totals computed from unrounded data.

Subsurface moisture reserves remain significantly below normal and the overall crop outlook for 2010 is cause for concern.

In **Belarus,** total cereals production in 2009 was about 5 percent above the previous year and 22 percent above the average cereals production for the previous five years. The wheat sown area was slightly more that in 2008, but this was offset by a decline in yields resulting in production of wheat at the same level as in the previous year. For coarse grains, both area planted and yields per hectare rose in 2009.

In the **Republic of Moldova** due to mostly favourable weather conditions, the total cereals production in 2009 has increased significantly, to 2 million tonnes, though still some 4 per cent below the average production for the previous five years.

Oceania

Outlook for the winter grain harvest remains favourable

The prospects for the 2009 winter cereal crops in Australia remain generally favourable and the country is gearing up for what will likely be the biggest harvest since the record crop in 2005, following a slight increase in plantings but mostly due to better yield prospects after generally favourable rainfall, particularly in Victoria, South Australia and New South Wales. The latest official forecast in September puts wheat output in 2009 at 22.7 million tonnes, 1.3 million tonnes up from the previous year. A significant increase in barley output is also forecast, by about 1 million tonnes to almost 8 million tonnes.

Statistical appendix

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Table. A5 - Cereal Import Requirements of Low-Income Food Deficit Countries 2009/10 ..... .53

Table A1. Global cereal supply and demand indicators

	Average 2002/03 - 2006/07	2005/06	2006/07	2007/08	2008/09	2009/10
	(. . . . . percentage . . . . .)					
1. Ratio of world stocks to utilization						
Wheat	28.9	29.3	25.4	22.1	25.9	27.8
Coarse grains	16.9	18.1	15.3	15.8	18.8	18.2
Rice	25.3	24.5	23.9	24.8	27.5	27.0
Total cereals	22.3	22.8	20.1	19.5	22.7	22.8
2. Ratio of major grain exporters' supplies to normal market requirements	123	133	116	119	124	120
3. Ratio of major exporters' stocks to their total disappearance						
Wheat	20.9	23.1	15.9	11.8	17.5	20.4
Coarse grains	15.2	17.7	12.0	12.0	14.4	13.8
Rice	17.4	16.1	15.4	17.5	20.6	14.5
Total cereals	17.8	19.0	14.4	13.8	17.5	16.2

	Annual trend growth rate 1999-2008	Change from previous year 2005	2006	2007	2008	2009
	(. . . . . percentage . . . . .)					
4. Changes in world cereal production	2.1	-1.0	-1.6	6.2	6.2	-2.1
5. Changes in cereal production in the LIFDCs	1.7	5.1	4.4	2.3	3.8	-0.6
6. Changes in cereal production in LIFDCs less China and India	3.2	6.7	4.3	-0.5	4.5	4.5

	Average 2002-2006	Change from previous year 2005	2006	2007	2008	2009*
	(. . . . . percentage . . . . .)					
7. Selected cereal price indices:						
Wheat	104.6	-1.4	17.1	49.1	31.5	-40.2
Maize	101.7	-12.1	23.3	34.1	36.5	-31.5
Rice	112.3	5.7	9.9	17.3	83.7	-14.6

Notes:
Utilization is defined as the sum of food use, feed and other uses.
Cereals refer to wheat, coarse grains and rice; **Grains** refer to wheat and coarse grains.
Major Grain Exporters are Argentina, Australia, Canada, the EU, and the United States; Major Rice Exporters are India, Pakistan, Thailand, the United States, and Viet Nam.
Normal Market Requirements for major grain exporters are defined as the average of domestic utilization plus exports in the three preceding seasons.
Disappearance is defined as domestic utilization plus exports for any given season.
Price indices: The **wheat** price index has been constructed based on the IGC wheat price index, rebased to 2002-2004 = 100; For **maize**, the U.S. maize No. 2 Yellow (delivered U.S. Gulf ports) with base 2002-2004 = 100; For **rice**, the FAO Rice Price Index, 2002-2004 = 100, is based on 16 rice export quotations.
* January – September average.

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

	2005	2006	2007	2008	2009 estimate	2010 forecast
TOTAL CEREALS	**471.9**	**471.9**	**432.4**	**426.7**	**505.2**	**509.1**
Wheat	**180.6**	**182.5**	**164.0**	**143.3**	**172.3**	**182.8**
held by:						
- main exporters [2]	57.2	58.6	39.0	29.2	47.2	52.2
- others	165.3	123.9	125.0	114.1	125.1	130.6
Coarse grains	**191.7**	**184.7**	**164.1**	**172.6**	**208.7**	**205.0**
held by:						
- main exporters[2]	92.7	89.9	59.8	69.0	80.1	77.8
- others	107.6	94.7	104.4	103.6	128.6	127.2
Rice (milled basis)	**99.6**	**104.7**	**104.3**	**110.8**	**124.1**	**121.3**
held by:						
- main exporters[2]	19.3	23.4	23.1	26.5	32.1	22.4
- others	97.3	81.3	81.2	84.3	92.0	98.9
Developed countries	**188.6**	**189.0**	**130.4**	**120.6**	**164.4**	**169.9**
Australia	10.0	13.5	6.2	5.3	5.9	6.7
Canada	14.5	16.2	10.5	8.5	13.0	10.6
European Union [3]	47.6	44.3	30.0	25.8	41.9	39.9
Japan	4.7	4.8	4.4	4.0	3.9	3.8
Romania [4]	5.0	5.6	3.8	-	-	-
Russian Federation	9.1	9.3	7.0	5.5	13.2	11.3
South Africa	4.1	4.1	2.7	1.8	2.4	3.4
Ukraine	4.2	4.8	4.2	4.4	5.6	7.5
United States	74.7	71.7	49.9	54.3	65.9	72.2
Developing countries	**283.3**	**282.8**	**302.1**	**306.1**	**340.7**	**339.2**
Asia	**237.2**	**238.8**	**255.0**	**263.4**	**293.5**	**292.9**
China	152.8	149.0	163.0	167.6	188.4	198.7
India	26.7	25.8	28.5	35.5	41.7	30.3
Indonesia	5.7	5.1	5.8	6.7	8.9	11.0
Iran, Islamic Republic of	3.2	3.6	3.5	2.9	3.8	3.4
Korea, Republic of	2.5	2.5	2.5	2.7	2.4	2.5
Pakistan	2.1	3.2	2.4	3.1	2.9	2.7
Philippines	2.3	2.9	2.8	3.4	4.5	4.1
Syrian Arab Republic	4.3	4.4	3.5	2.2	2.0	1.8
Turkey	6.7	6.0	7.0	5.1	3.8	4.8
Africa	**23.2**	**24.8**	**29.0**	**24.6**	**27.2**	**27.6**
Algeria	3.6	4.1	4.2	4.5	4.0	5.5
Egypt	3.1	4.5	4.6	3.9	6.3	5.7
Ethiopia	0.1	0.1	0.2	1.1	1.3	0.5
Morocco	4.8	2.6	4.0	2.2	2.0	3.2
Nigeria	1.3	1.4	2.1	1.0	1.3	1.3
Tunisia	1.2	1.4	1.3	2.0	1.6	1.5
Central America	**6.3**	**4.8**	**5.0**	**5.0**	**4.8**	**4.3**
Mexico	4.6	2.9	3.0	3.1	3.1	2.6
South America	**16.3**	**14.2**	**12.8**	**12.8**	**15.0**	**14.2**
Argentina	5.3	4.9	4.1	5.9	2.2	2.8
Brazil	6.6	4.5	3.6	2.2	8.5	6.8

[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 2007 25 member countries, from 2008 27 member countries.
[4] From 2008 included in the EU.
Note: Based on official and unofficial estimates. Totals computed from unrounded data.

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

Period	Wheat			Maize		Sorghum
	US No.2 Hard Red Winter Ord. Prot.[1]	US Soft Red Winter No.2[2]	Argentina Trigo Pan[3]	US No.2 Yellow[2]	Argentina[3]	US No.2 Yellow[2]
Annual (July/June)						
2003/04	161	149	154	115	109	118
2004/05	154	138	123	97	90	99
2005/06	175	138	138	104	101	108
2006/07	212	176	188	150	145	155
2007/08	361	311	318	200	192	206
2008/09	270	201	234	188	180	170
Monthly						
2007 – October	352	323	321	163	180	172
2007 – November	332	307	290	171	179	171
2007 – December	381	345	310	179	171	192
2008 – January	381	343	330	206	199	225
2008 – February	449	403	365	220	207	222
2008 – March	482	397	395	234	216	233
2008 – April	382	301	-	248	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	280	229	203	208
2008 – October	252	183	235	181	169	158
2008 – November	247	182	189	166	156	146
2008 – December	240	182	177	160	152	151
2009 – January	256	193	213	172	160	148
2009 – February	241	183	218	163	158	145
2009 – March	244	186	214	165	163	153
2009 – April	242	180	211	168	166	149
2009 – May	265	201	210	180	186	167
2009 – June	263	201	228	177	185	167
2009 – July	232	175	234	151	164	145
2009 – August	218	161	229	153	166	154
2009 – September	200	158	208	152	163	152
2009 – October	212	175	214	168	175	174

[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], 2008/09 or 2009 estimates (*thousand tonnes*)

		2007/08 or 2008 Actual imports			2008/09 or 2009			
						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
AFRICA		**37 419.1**	**2 814.4**	**40 233.5**	**45 042.9**	**38 676.5**	**2 425.5**	**36 251.0**
North Africa		**18 260.1**	**0.0**	**18 260.1**	**20 817.0**	**20 817.0**	**0.0**	**20 817.0**
Egypt	July/June	11 873.7	0.0	11 873.7	15 196.0	15 196.0	0.0	15 196.0
Morocco	July/June	6 386.4	0.0	6 386.4	5 621.0	5 621.0	0.0	5 621.0
Eastern Africa		**4 426.6**	**1 788.2**	**6 214.8**	**7 496.0**	**6 656.6**	**1 534.1**	**5 122.5**
Burundi	Jan./Dec.	116.7	22.3	139.0	144.0	39.4	38.4	1.0
Comoros	Jan./Dec.	57.0	0.0	57.0	45.0	19.0	0.0	19.0
Djibouti	Jan./Dec.	126.8	9.3	136.1	103.0	59.8	5.7	54.1
Eritrea	Jan./Dec.	187.3	17.2	204.5	329.0	28.5	0.0	28.5
Ethiopia	Jan./Dec.	588.5	896.4	1 484.9	828.0	691.4	476.4	215.0
Kenya	Oct./Sept.	1 010.2	197.2	1 207.4	2 561.0	2 561.0	214.1	2 346.9
Rwanda	Jan./Dec.	146.4	11.3	157.7	166.0	67.4	23.3	44.1
Somalia	Aug./July	381.9	90.1	472.0	720.0	720.0	401.3	318.7
Sudan	Nov./Oct.	1 138.8	416.2	1 555.0	1 708.0	1 635.1	295.4	1 339.7
Uganda	Jan./Dec.	146.9	83.9	230.8	155.0	98.0	32.3	65.7
United Rep. of Tanzania	June/May	526.1	44.3	570.4	737.0	737.0	47.2	689.8
Southern Africa		**2 741.8**	**523.0**	**3 264.8**	**3 702.3**	**3 702.3**	**463.2**	**3 239.1**
Angola	April/March	768.6	5.8	774.4	836.7	836.7	0.0	836.7
Lesotho	April/March	201.9	24.2	226.1	202.8	202.8	0.3	202.5
Madagascar	April/March	277.0	60.9	337.9	217.2	217.2	10.8	206.4
Malawi	April/March	125.3	56.8	182.1	189.8	189.8	68.5	121.3
Mozambique	April/March	688.9	62.1	751.0	974.7	974.7	85.9	888.8
Swaziland	May/April	123.1	22.2	145.3	128.0	128.0	6.0	122.0
Zambia	May/April	55.6	4.4	60.0	139.9	139.9	6.6	133.3
Zimbabwe	April/March	501.4	286.6	788.0	1 013.2	1 013.2	285.1	728.1
Western Africa		**10 435.6**	**393.4**	**10 829.0**	**11 214.2**	**6 696.3**	**277.5**	**6 418.8**
Coastal Countries		***7 881.8***	***152.9***	***8 034.7***	***8 529.3***	***4 884.9***	***83.4***	***4 801.5***
Benin	Jan./Dec.	63.8	6.3	70.1	72.0	52.0	2.0	50.0
Côte d'Ivoire	Jan./Dec.	1 182.4	11.5	1 193.9	1 240.0	797.7	20.8	776.9
Ghana	Jan./Dec.	804.0	29.6	833.6	990.0	276.3	11.2	265.1
Guinea	Jan./Dec.	456.9	35.4	492.3	509.0	84.6	12.0	72.6
Liberia	Jan./Dec.	214.8	38.3	253.1	270.0	91.3	18.8	72.5
Nigeria	Jan./Dec.	4 865.1	0.0	4 865.1	5 180.0	3 449.6	0.0	3 449.6
Sierra Leone	Jan./Dec.	205.1	27.2	232.3	174.0	53.3	17.5	35.8
Togo	Jan./Dec.	89.7	4.6	94.3	94.3	80.1	1.1	79.0
Sahelian Countries		***2 553.8***	***240.5***	***2 794.3***	***2 684.9***	***1 811.4***	***194.1***	***1 617.3***
Burkina faso	Nov./Oct.	282.2	23.1	305.3	294.3	87.8	31.3	56.5
Chad	Nov./Oct.	56.4	66.0	122.4	149.1	127.7	85.5	42.2
Gambia	Nov./Oct.	101.0	2.8	103.8	109.5	112.0	2.7	109.3
Guinea-Bissau	Nov./Oct.	117.7	7.0	124.7	95.0	56.7	2.9	53.8
Mali	Nov./Oct.	217.9	8.0	225.9	273.9	87.4	9.4	78.0
Mauritania	Nov./Oct.	369.9	60.4	430.3	418.1	408.3	22.0	386.3
Niger	Nov./Oct.	341.4	55.1	396.5	313.7	88.3	31.1	57.2
Senegal	Nov./Oct.	1 067.3	18.1	1 085.4	1 031.3	843.2	9.2	834.0
Central Africa		**1 555.0**	**109.8**	**1 664.8**	**1 813.4**	**804.3**	**150.7**	**653.6**
Cameroon	Jan./Dec.	570.5	8.6	579.1	622.0	362.9	4.3	358.6
Cent.Afr.Rep.	Jan./Dec.	41.5	14.4	55.9	61.5	31.1	19.1	12.0
Congo	Jan./Dec.	312.0	2.5	314.5	325.0	114.2	3.7	110.5
Dem.Rep.of the Congo	Jan./Dec.	591.8	76.9	668.7	761.0	270.8	117.7	153.1
Equatorial Guinea	Jan./Dec.	26.8	0.0	26.8	25.0	14.6	0.0	14.6
Sao Tome and Principe	Jan./Dec.	12.4	7.4	19.8	18.9	10.7	5.9	4.8

Table A4b. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2008/09 or 2009 estimates (*thousand tonnes*)

		2007/08 or 2008 Actual imports			2008/09 or 2009			
						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		**38 519.2**	**1 450.0**	**39 969.2**	**46 182.0**	**43 751.6**	**1 472.1**	**42 279.5**
CIS in Asia		**5 361.2**	**37.4**	**5 398.6**	**6 357.0**	**6 357.0**	**82.3**	**6 274.7**
Armenia	July/June	375.6	7.4	383.0	396.0	396.0	1.6	394.4
Azerbaijan	July/June	1 361.4	2.8	1 364.2	1 654.0	1 654.0	0.8	1 653.2
Georgia	July/June	834.5	8.1	842.6	856.0	856.0	18.6	837.4
Kyrgyzstan	July/June	445.4	0.0	445.4	521.0	521.0	9.8	511.2
Tajikistan	July/June	1 042.2	19.1	1 061.3	1 018.0	1 018.0	51.5	966.5
Turkmenistan	July/June	286.4	0.0	286.4	449.0	449.0	0.0	449.0
Uzbekistan	July/June	1 015.7	0.0	1 015.7	1 463.0	1 463.0	0.0	1 463.0
Far East		**22 569.3**	**1 223.1**	**23 792.4**	**23 773.8**	**22 163.1**	**775.2**	**21 387.9**
Bangladesh	July/June	3 020.7	313.3	3 334.0	3 350.7	3 350.7	236.8	3 113.9
Bhutan	July/June	73.4	0.0	73.4	75.4	75.4	0.0	75.4
Cambodia	Jan./Dec.	33.3	7.6	40.9	40.0	4.3	1.3	3.0
China (Mainland)	July/June	1 493.0	0.0	1 493.0	2 282.0	2 282.0	0.0	2 282.0
D.P.R. of Korea	Nov./Oct.	664.8	763.1	1 427.9	1 539.6	501.4	354.1	147.3
India	April/March	1 893.2	21.9	1 915.1	133.5	133.5	22.5	111.0
Indonesia	April/March	7 228.6	16.0	7 244.6	5 695.3	5 695.3	0.0	5 695.3
Lao, P.D.R.	Jan./Dec.	24.2	7.4	31.6	17.4	2.3	2.3	0.0
Mongolia	Oct./Sept.	290.8	5.0	295.8	275.3	275.3	41.9	233.4
Nepal	July/June	173.8	16.2	190.0	190.0	190.0	25.0	165.0
Pakistan	May/April	1 519.5	2.1	1 521.6	3 046.6	3 046.6	38.7	3 007.9
Philippines	July/June	4 928.5	16.9	4 945.4	5 875.0	5 875.0	10.3	5 864.7
Sri Lanka	Jan./Dec.	1 172.0	46.1	1 218.1	1 190.0	668.3	36.4	631.9
Timor-Leste	July/June	53.5	7.5	61.0	63.0	63.0	5.9	57.1
Near East		**10 588.7**	**189.5**	**10 778.2**	**16 051.2**	**15 231.5**	**614.6**	**14 616.9**
Afghanistan	July/June	855.2	156.9	1 012.1	2 521.2	2 521.2	580.3	1 940.9
Iraq	July/June	4 369.9	12.1	4 382.0	4 879.0	4 879.0	18.7	4 860.3
Syrian Arab Republic	July/June	2 363.6	8.4	2 372.0	5 282.0	5 282.0	11.6	5 270.4
Yemen	Jan./Dec.	3 000.0	12.1	3 012.1	3 369.0	2 549.3	4.0	2 545.3
CENTRAL AMERICA		**1 502.4**	**163.8**	**1 666.2**	**1 782.7**	**1 782.7**	**170.9**	**1 611.8**
Haiti	July/June	501.3	91.9	593.2	647.0	647.0	142.5	504.5
Honduras	July/June	658.0	28.0	686.0	731.0	731.0	9.2	721.8
Nicaragua	July/June	343.1	43.9	387.0	404.7	404.7	19.2	385.5
OCEANIA		**431.3**	**0.0**	**431.3**	**431.3**	**177.6**	**0.0**	**177.6**
Kiribati	Jan./Dec.	8.7	0.0	8.7	8.7	1.9	0.0	1.9
Papua New Guinea	Jan./Dec.	380.0	0.0	380.0	380.0	166.0	0.0	166.0
Solomon Islands	Jan./Dec.	29.5	0.0	29.5	29.5	7.4	0.0	7.4
Tuvalu	Jan./Dec.	1.1	0.0	1.1	1.1	0.6	0.0	0.6
Vanuatu	Jan./Dec.	12.0	0.0	12.0	12.0	1.7	0.0	1.7
EUROPE		**293.0**	**45.9**	**338.9**	**88.0**	**88.0**	**0.0**	**88.0**
Republic of Moldova	July/June	293.0	45.9	338.9	88.0	88.0	0.0	88.0
TOTAL		**78 165.0**	**4 474.1**	**82 639.1**	**93 526.9**	**84 476.4**	**4 068.5**	**80 407.9**

[1] Includes food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006).
[2] Estimates based on information available as of early October 2009.

Table A5. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2009/10 estimates (*thousand tonnes*)

		2008/09 Actual imports			2009/10			
						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		**27 411.5**	**1 125.8**	**28 537.3**	**22 793.0**	**4 861.9**	**266.1**	**4 595.8**
Northern Africa		**20 817.0**	**0.0**	**20 817.0**	**16 192.0**	**3 660.5**	**0.0**	**3 660.5**
Egypt	July/June	15 196.0	0.0	15 196.0	13 026.0	3 144.3	0.0	3 144.3
Morocco	July/June	5 621.0	0.0	5 621.0	3 166.0	516.2	0.0	516.2
Eastern Africa		**3 355.4**	**662.6**	**4 018.0**	**3 450.0**	**153.7**	**33.1**	**120.6**
Kenya	Oct./Sept.	2 346.9	214.1	2 561.0	2 320.0	0.0	0.0	0.0
Somalia	Aug./July	318.7	401.3	720.0	595.0	28.2	28.2	0.0
United Rep. of Tanzania	June/May	689.8	47.2	737.0	535.0	125.5	4.9	120.6
Southern Africa		**3 239.1**	**463.2**	**3 702.3**	**3 151.0**	**1 047.7**	**233.0**	**814.7**
Angola	April/March	836.7	0.0	836.7	908.0	203.7	0.0	203.7
Lesotho	April/March	202.5	0.3	202.8	212.0	68.3	0.2	68.1
Madagascar	April/March	206.4	10.8	217.2	263.0	36.6	6.5	30.1
Malawi	April/March	121.3	68.5	189.8	113.0	101.8	24.3	77.5
Mozambique	April/March	888.8	85.9	974.7	813.0	298.8	57.2	241.6
Swaziland	May/April	122.0	6.0	128.0	127.0	38.2	0.9	37.3
Zambia	May/April	133.3	6.6	139.9	25.0	6.9	1.6	5.3
Zimbabwe	April/March	728.1	285.1	1 013.2	690.0	293.4	142.3	151.1
ASIA		**38 952.0**	**1 074.0**	**40 026.0**	**33 712.2**	**8 102.0**	**95.2**	**8 006.8**
CIS in Asia		**6 274.7**	**82.3**	**6 357.0**	**5 596.0**	**659.3**	**0.2**	**659.1**
Armenia	July/June	394.4	1.6	396.0	355.0	93.8	0.0	93.8
Azerbaijan	July/June	1 653.2	0.8	1 654.0	1 479.0	82.2	0.0	82.2
Georgia	July/June	837.4	18.6	856.0	909.0	116.2	0.2	116.0
Kyrgyzstan	July/June	511.2	9.8	521.0	366.0	33.0	0.0	33.0
Tajikistan	July/June	966.5	51.5	1 018.0	777.0	110.6	0.0	110.6
Turkmenistan	July/June	449.0	0.0	449.0	460.0	9.5	0.0	9.5
Uzbekistan	July/June	1 463.0	0.0	1 463.0	1 250.0	214.0	0.0	214.0
Far East		**20 605.7**	**381.1**	**20 986.8**	**18 281.2**	**4 949.1**	**80.5**	**4 868.6**
Bangladesh	July/June	3 113.9	236.8	3 350.7	2 350.0	1 020.6	61.2	959.4
Bhutan	July/June	75.4	0.0	75.4	73.0	0.0	0.0	0.0
China (Mainland)	July/June	2 282.0	0.0	2 282.0	2 417.0	572.1	0.0	572.1
India	April/March	111.0	22.5	133.5	774.6	67.9	0.0	67.9
Indonesia	April/March	5 695.3	0.0	5 695.3	5 634.0	2 067.1	0.0	2 067.1
Mongolia	Oct./Sept.	233.4	41.9	275.3	266.0	0.0	0.0	0.0
Nepal	July/June	165.0	25.0	190.0	240.0	3.6	3.6	0.0
Pakistan	May/April	3 007.9	38.7	3 046.6	1 521.0	72.7	11.1	61.6
Philippines	July/June	5 864.7	10.3	5 875.0	4 940.6	1 141.8	4.6	1 137.2
Timor-Leste	July/June	57.1	5.9	63.0	65.0	3.3	0.0	3.3
Near East		**12 071.6**	**610.6**	**12 682.2**	**9 835.0**	**2 493.6**	**14.5**	**2 479.1**
Afghanistan	July/June	1 940.9	580.3	2 521.2	600.0	221.7	12.6	209.1
Iraq	July/June	4 860.3	18.7	4 879.0	5 200.0	1 562.7	0.0	1 562.7
Syrian Arab Republic	July/June	5 270.4	11.6	5 282.0	4 035.0	709.2	1.9	707.3
CENTRAL AMERICA		**1 611.8**	**170.9**	**1 782.7**	**1 816.0**	**310.5**	**60.8**	**249.7**
Haiti	July/June	504.5	142.5	647.0	636.0	128.0	58.9	69.1
Honduras	July/June	721.8	9.2	731.0	765.0	138.1	1.1	137.0
Nicaragua	July/June	385.5	19.2	404.7	415.0	44.4	0.8	43.6
EUROPE		**88.0**	**0.0**	**88.0**	**88.0**	**19.5**	**0.0**	**19.5**
Republic of Moldova	July/June	88.0	0.0	88.0	88.0	19.5	0.0	19.5
TOTAL		**68 063.3**	**2 370.7**	**70 434.0**	**58 409.2**	**13 293.9**	**422.1**	**12 871.8**

[1] Includes food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006).
[2] Estimates based on information available as of early October 2009.

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

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