



CROP PROSPECTS and FOOD SITUATION

Quarterly Global Report

Countries in need of
external assistance
for food

37

COUNTRIES REQUIRING EXTERNAL ASSISTANCE FOR FOOD

FAO estimates that 37 countries are in need of external assistance for food. Civil conflict continues to be a main driver of severe food insecurity, triggering famine in **South Sudan** and putting populations at high risk of localized famine in **Yemen** and **northern Nigeria**. Weather shocks, notably droughts, have also impinged on food availability and access, and have in particular compounded the fragile situation in **Somalia** where famine conditions continue to be a threat.

Asia	+0.0
Africa	+10.2
Central American and Caribbean	+1.4
South America	+20.2
North America	-9.1
Europe	-0.2
Oceania	-31.7
World	-0.5

WORLD Cereal production 2017 over 2016 (%)

-0.5

REGIONAL HIGHLIGHTS

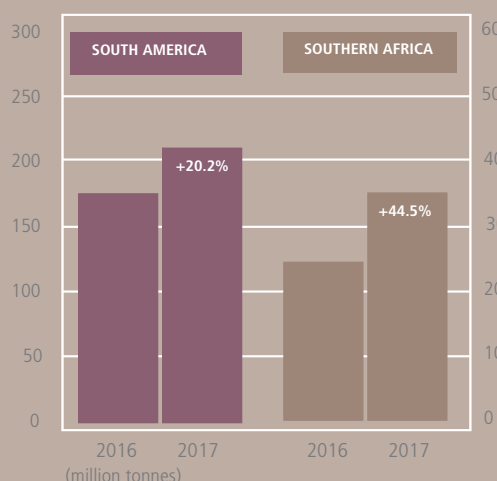
AFRICA Severe food insecurity persists in northern Nigeria and Somalia, while South Sudan remains in the grip of famine. Dry conditions lowered 2017 production prospects in parts of East Africa, while outputs in Southern Africa are forecast to rebound strongly.

ASIA Drought in Sri Lanka resulted in a sharp drop in the 2017 paddy output, while recent floods caused extensive damage. Conflicts continue to intensely impact agriculture and food security in Iraq and in the Syrian Arab Republic, while in Yemen localized famine remains a critical risk.

LATIN AMERICA AND THE CARIBBEAN Record cereal outputs forecast in Argentina and Brazil in 2017, with production prospects generally favourable in Central American countries, although the possibility of an El Niño developing raises some concern.

SOUTH AMERICA SOUTHERN AFRICA

Record cereal outputs in
2017



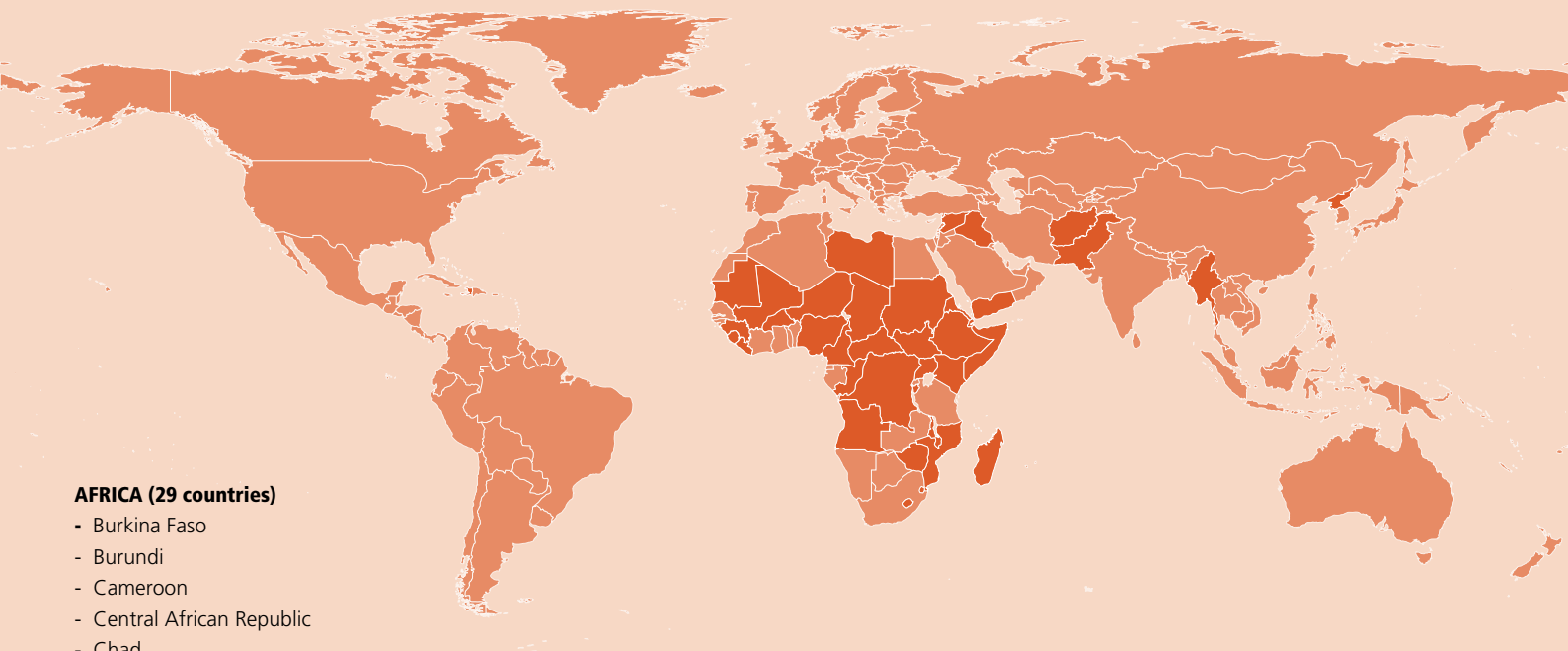
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COUNTRIES REQUIRING EXTERNAL ASSISTANCE FOR FOOD



AFRICA (29 countries)

- Burkina Faso
- Burundi
- Cameroon
- Central African Republic
- Chad
- Congo
- Democratic Republic of Congo
- Djibouti
- Eritrea
- Ethiopia
- Guinea
- Kenya
- Lesotho
- Liberia
- Libya
- Madagascar
- Malawi
- Mali
- Mauritania
- Mozambique
- Niger
- Nigeria
- Sierra Leone
- Somalia
- South Sudan
- Sudan
- Swaziland
- Uganda
- Zimbabwe

ASIA (7 countries)

- Afghanistan
- Democratic People's Republic of Korea
- Iraq
- Myanmar
- Pakistan
- Syrian Arab Republic
- Yemen

LATIN AMERICA AND THE CARIBBEAN (1 country)

- Haiti

Source: Mountain High Maps, 1997

AFRICA (29 COUNTRIES)

EXCEPTIONAL SHORTFALL IN AGGREGATE FOOD PRODUCTION/ SUPPLIES

Central African Republic

Conflict, displacements and food supply constraints

- The Internally Displaced Person (IDP) caseload continued to increase and as of the end of April it was estimated at about 440 000 people. In addition, about 1.1 million people (30 percent of the total population) are estimated to be in need of urgent assistance for food (IPC Phase 3: "Crisis" and IPC Phase 4: "Emergency").

WIDESPREAD LACK OF ACCESS

Burundi

Civil insecurity, economic downturn and localized crop production shortfalls

- Disruptions to markets, farming activities and livelihoods, coupled with limited humanitarian assistance and declining food import capacity, continue to seriously affect food security conditions. The areas most affected by food insecurity are Kirundo, Musinga and Cibitoke provinces, where these factors are compounded by consecutive crop production shortfalls.
- About 2.6 million people are estimated to be severely food insecure.

Chad

Population displacements and civil insecurity

- Approximately 398 000 refugees, 118 000 IDPs, as well as an estimated 115 000 Chadian returnees, continue to add pressure on local food supplies, negatively affecting food security.
- About 380 000 people are estimated to be in need of food assistance according to the latest "Cadre Harmonisé" analysis (March 2017).

Democratic Republic of the Congo

Conflict and displacements in eastern provinces, as well as influx of refugees putting strain on host communities

- As of March 2017, the IDP caseload was estimated at 3.7 million, 1.5 million more than the previous estimate in April 2016. About 6 million people are estimated to be in acute food insecurity and livelihood crisis (IPC Phase 3: "Crisis" and IPC Phase 4: "Emergency"). The country hosts 102 500 refugees from the Central African Republic, 73 300 from South Sudan and 37 300 from Burundi.

Djibouti

Impact of consecutive unfavourable rainy seasons on pastoral livelihoods

- About 197 000 people are severely food insecure, down from the previous estimate, mainly concentrated in pastoral areas north of Obock city and in southeastern border areas, which were affected by consecutive unfavourable rainy seasons.

Eritrea

Economic constraints have increased the population's vulnerability to food insecurity

Ethiopia

Impact of drought on local livelihood systems in southeastern areas, lingering effects of the previous year's severe drought in northern areas

- Drought affected second season crops and pastures in south and southeastern areas; while effects of 2015's severe drought continued to impact on local livelihoods in northern areas.
- Overall, an estimated 7.8 million people are food insecure.

Lesotho

Dry spells in southeastern parts

- The number of food insecure is anticipated to fall in 2017/18, mainly reflecting a larger national harvest and lower food prices. However, dry spells are expected to have lowered harvests in southeastern areas, stressing food security conditions.

Malawi

Localized impact of pests and dry spells

- The number of food insecure is expected to decline in 2017/18 from an estimated 6.7 million people in the previous year, reflecting an overall improved agricultural output in 2017. However, stressed conditions will remain for households affected by pest infestations and localized weather shocks.

Mozambique

Localized impact of conflict, floods and dry spells

- Nearly 2 million people were estimated to be food insecure and require humanitarian assistance in 2016/17. However, this number is expected to decline in 2017/18 on account of an improved national agricultural output.
- Stressed food insecurity conditions are likely to remain in areas affected by flooding, conflict and dry spells.

Niger

Population displacements and civil insecurity

- More than 829 000 people are estimated to be in Phase 3: "Crisis" and above according to the last "Cadre Harmonisé" analysis.
- Approximately 60 000 Malian refugees are estimated to be living in the country.

- Almost 127 000 people, mostly in the southeast Diffa Region, have been displaced due to fear of attacks.

Nigeria

Economic downturn, weakened currency, population displacements and severe civil insecurity in northern areas

- About 7.1 million people are estimated to be facing acute food insecurity and require urgent life-saving response and livelihood protection, including about 44 000 people in CH Phase 5: "Famine" (i.e. IPC "Catastrophe"), according to the latest "Cadre Harmonisé" analysis. Despite the above-average cereal harvest gathered in 2016, the weak Naira, coupled with persisting civil conflict in northern states has continued to disrupt market activities and keep food prices at high levels.
- Approximately 1.8 million people have been internally displaced in the northeastern region of the country.

South Sudan

Conflict, civil insecurity and severe economic downturn

- Famine persists in parts of former Unity State. Over 5.5 million people are severely food insecure, mainly in the conflict-affected states of Jonglei, Unity and Upper Nile, but also in traditional surplus-producing areas of Greater Bahr el Ghazal and Greater Equatoria regions due to insecurity, trade disruptions and high food prices.

Swaziland

Localized dry spells in southeastern parts

- Overall, food security conditions are anticipated to improve in 2017/18, reflecting the expected increase in the national agricultural output, but dry spells in southern Lubombo Plateau are expected to have dampened agricultural production in these areas, stressing food security conditions.

Zimbabwe

Liquidity constraints continue to impinge on food access

- An estimated 44 percent (4.07 million people) of the rural population were food insecure between January and March 2017, mostly due to the impact of the 2016 drought on agricultural production. Although this number is expected to fall in 2017/18 on account of a forecasted rebound in cereal production, continued

liquidity constraints and localized production short falls in areas affected by dryness and pest infestations will weigh negatively on the food security situation.

SEVERE LOCALIZED FOOD INSECURITY**Burkina Faso**

Refugees putting strain on host communities

- Over 33 000 Malian refugees are estimated to be living in the country.
- About 115 000 people are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis, despite the bumper 2016 cereal harvest.

Cameroon

Influx of refugees putting strain on host communities and displacements

- The number of refugees from the Central African Republic was estimated in May 2017 at 413 000. Insecurity along the borders with Nigeria also led to the internal displacement of 223 000 individuals.

Congo

Influx of refugees straining the already limited resources of host communities

- As of mid-November 2016, about 30 500 refugees from the Central African Republic are sheltering in the country.

Guinea

Lingering impact of the Ebola Virus Disease (EVD) outbreak

- All neighbouring countries have re-opened their borders with Guinea, which has led to a significant increase in trade flows.
- About 110 000 people are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis.

Kenya

Crop production and livestock affected by consecutive unfavourable rainy seasons

- About 2.7 million people are severely food insecure, mainly located in eastern, southeastern and coastal areas, following the negative impact of poor 2016 "short-rains" and below-average 2017 "long-rains" on agricultural production.

Liberia*Lingering impact of the EVD outbreak*

- The country is hosting approximately 15 000 refugees as of end-April 2017, most of them from Côte d'Ivoire.
- About 14 000 people are estimated to be in need of food assistance according to the latest "Cadre Harmonisé" analysis.

Libya*Civil insecurity*

- The number of people in need of food assistance is estimated at 0.4 million, with refugees, asylum seekers and internally-displaced among the most vulnerable.
- Food shortages are reported mostly in the south and east where basic food items, are in short supply. Access to subsidized food among the affected population is limited.

Madagascar*Dry spells in main rice-producing regions and impact of cyclones*

- Rice production is expected to fall to well below-average levels in 2017 due to dryness and the impact of cyclones. This is anticipated to adversely impact food availability.
- Improved weather in the previously drought-affected southern regions is expected to result in a small upturn in the agricultural output, easing food security conditions, which still remain stressed due to consecutive years of poor harvests.

Mali*Population displacements and civil insecurity in northern areas*

- An estimated 46 000 people have been internally displaced in the country mostly residing in Timbuktu, the most affected region.
- About 256 000 people, located mostly in Timbuktu, Mopti and Bamako regions, are estimated to be in Phase 3: "Crisis" and above, according to the last "Cadre Harmonisé" analysis.

Mauritania*Refugee caseload continues to put additional pressure on local food supplies*

- As of May 2017, about 50 000 Malian refugees remain in southeastern Mauritania in the Mbeera camp.

- Over 126 000 people are estimated to be in Phase 3: "Crisis" and above, according to the last "Cadre Harmonisé" analysis.

Sierra Leone*Lingering impact of the EVD outbreak*

- About 25 000 people are estimated to be in need of food assistance, according to the latest "Cadre Harmonisé" analysis.

Somalia*Conflict, civil insecurity and widespread drought conditions*

- About 3.2 million people are estimated to be in need of emergency assistance, mainly IDPs and drought-affected agro-pastoral communities across the country.

Sudan*Conflict and civil insecurity*

- An estimated 2.8 million people are in need of humanitarian assistance, mainly IDPs and host communities in conflict-affected areas.

Uganda*Below-average crop production*

- About 1.6 million people are estimated to be severely food insecure following two consecutive seasons of reduced agricultural outputs.

ASIA (7 COUNTRIES)**EXCEPTIONAL SHORTFALL IN AGGREGATE FOOD PRODUCTION/SUPPLIES****Syrian Arab Republic***Civil conflict*

- About 7 million people are estimated to be food insecure and a further 2 million are at risk of food insecurity.
- Although some international food assistance is being provided, Syrian refugees are also putting strain on other host communities in neighbouring countries.

WIDESPREAD LACK OF ACCESS**Democratic People's Republic of Korea***Low agricultural output and economic downturn*

- Despite an expected partial recovery in the 2016 aggregate food production, supplies remain tight.
- Given the overall tight supply situation, most households are anticipated to continue to experience borderline or poor food consumption rates.

Yemen*Conflict, poverty and high food and fuel prices*

- According to the IPC, 17 million people are food insecure and require urgent humanitarian assistance from March to July 2017, with an increase of 3 million from the last IPC analysis of June 2016.

SEVERE LOCALIZED FOOD INSECURITY**Afghanistan***Continuing conflict and population displacement*

- Almost 1.6 million people are severely food insecure and 9.7 million people moderately food insecure.
- Over 630 000 people were displaced by the conflict in 2016, mostly in the hard-to-access areas.
- Since 1 January 2016, over 728 000 undocumented Afghans have returned mostly due to changes in refugee policies in Pakistan.

Iraq*Civil conflict*

- Over 3 million people have been internally displaced.
- About 2.4 million people are estimated to be food insecure, of which 1.5 million severely food insecure.

Myanmar*Impact of floods in 2015 and 2016, and conflict in parts of Kachin, Shan and northern areas of Rakhine*

- Two years of flooding, negatively impacted on food security of large numbers of population.
- Households in Chin and Rakhine states still remain highly vulnerable as they have not yet recovered from the impact of the floods in 2015 and 2016.
- According to WFP, as of March 302 808 people are estimated to be in need of food assistance.

Pakistan

Population displacement and localized cereal production shortfalls

- As of January 2017 an estimated 3.2 million people were in need of humanitarian aid. About 504 000 people (approximately 74 000 families) remain displaced in northern Pakistan due to recurrent insecurity.
- In Tharparkar District and the surrounding areas of Sindh Province, the drought-affected cereal production and the loss of livestock for the third consecutive year have aggravated the food insecurity and caused acute malnutrition.

LATIN AMERICA AND THE CARIBBEAN (1 COUNTRY)**SEVERE LOCALIZED FOOD INSECURITY****Haiti**

Recurrent droughts and hurricane damage

- As a result of the reduced availability and access to food in the affected areas, due to recurring droughts in 2014 and 2016, coupled with the effects of Hurricane Matthew in 2016, an estimated 1.5 million people are food insecure, of which 1.3 million will be assisted in 2017.

Terminology

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

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

*** Unfavourable Production Prospects**

Countries facing unfavourable crop production prospects are countries where forecasts point to a shortfall in output compared to the five-year average, as a result of a reduction of the area planted and/or yields due to adverse weather conditions, plant pests and diseases, conflicts and other negative factors. This list does not include countries where production declines are mainly driven by deliberate/predetermined economic and/or policy decisions (see *Regional Reviews*).

GLOBAL CEREAL OVERVIEW

2017

Cereal Supply and Demand Overview

Production

FAO currently forecasts world cereal production in 2017 at 2 594 million tonnes, 5 million tonnes lower than the May forecast and down 14.1 million tonnes (0.5 percent) year-on-year. The monthly decrease is mostly the result of deteriorating production prospects for coarse grains and, to a lesser extent, for rice. Compared to 2016, much of the reduction is due to expectations of a 2.2 percent contraction in global wheat output as well as lower barley and sorghum production. These declines would more than offset a 1.4 percent expected expansion in global maize output, driven primarily by strong rebounds in South America and Southern Africa, and a 0.7 percent increase in world rice production.

Utilization

World cereal utilization in 2017/18 is projected at a record level of 2 584 million tonnes, up 13 million tonnes (0.5 percent) from 2016/17. This forecast stands 11 million tonnes below May expectations, largely reflecting downward adjustments made to historical wheat and maize feed estimates, particularly for China. On an annual basis, total wheat utilization is projected to decline by 0.4 percent from 2016/17, whereas the total uses of coarse grains and rice are expected to grow by 0.8 percent and 1.2 percent, respectively.

Stocks

FAO's forecast of world cereal stocks by the end of seasons in 2018 has been raised by 14 million tonnes since May and now stands at 703 million tonnes, up marginally from the 2017 record high. Most of the month-to-month upward revision concerns wheat

Table 1. World cereal production¹
(million tonnes)

	2015	2016 estimate	2017 forecast	Change 2017 over 2016 (%)
Asia	1 120.7	1 134.6	1 134.5	0.0
Far East	1 015.3	1 030.5	1 033.4	0.3
Near East	70.8	67.5	67.9	0.5
CIS in Asia	34.6	36.5	33.2	-9.0
Africa	167.2	163.6	180.3	10.2
North Africa	38.3	29.6	37.7	27.3
West Africa	51.8	56.9	55.7	-2.3
Central Africa	4.5	4.1	4.2	1.9
East Africa	45.8	49.1	48.3	-1.7
Southern Africa	26.8	23.9	34.6	44.5
Central America and Caribbean	39.2	42.8	43.5	1.4
South America	186.5	174.3	209.5	20.2
North America	482.9	530.4	482.1	-9.1
Europe	499.4	507.8	506.8	-0.2
European Union	313.9	299.5	311.0	3.8
CIS in Europe	172.8	195.5	183.2	-6.3
Oceania	38.4	54.3	37.1	-31.7
World	2 534.3	2 607.9	2 593.7	-0.5
Developing countries	1 457.4	1 459.4	1 507.0	3.3
Developed countries	1 076.9	1 148.5	1 086.8	-5.4
- wheat	735.7	760.1	743.2	-2.2
- coarse grains	1 307.0	1 348.4	1 347.9	0.0
- rice (milled)	491.7	499.3	502.6	0.7

Note: Totals and percentage change computed from unrounded data.

¹ Includes rice in milled terms.

and maize inventories, with China accounting for much of the adjustment. Overall, the anticipated annual increase in global cereal inventories reflects larger than earlier-expected wheat stocks, while carryovers of coarse grains could very well decline and those of rice would most likely remain largely steady.

Trade

World trade in cereals in 2017/18 is forecast to decline by around 5 million tonnes (1.2 percent) to 391 million tonnes, marking the first contraction in four years. The reduction is largely the result of expectations of weaker import demand for wheat, maize and sorghum.

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

	2015/16	2016/17 estimate	2017/18 forecast	Change: 2017/18 over 2016/17 (%)
World production ¹	2 534.3	2 607.9	2 593.7	-0.5
Developing countries	1 457.4	1 459.4	1 507.0	3.3
Developed countries	1 076.9	1 148.5	1 086.8	-5.4
World trade ²	393.3	395.9	391.0	-1.2
Developing countries	130.0	119.7	126.3	5.6
Developed countries	263.3	276.2	264.7	-4.2
World utilization	2 512.4	2 570.5	2 584.2	0.5
Developing countries	1 626.1	1 662.1	1 683.2	1.3
Developed countries	886.3	908.4	901.0	-0.8
Per caput cereal food use (kg per year)	148.2	148.7	148.3	-0.3
World stocks ³	663.2	701.7	702.5	0.1
Developing countries	494.0	496.5	505.3	1.8
Developed countries	169.2	205.2	197.2	-3.9
World stock-to-use ratio (%)	25.8	27.2	26.3	-3.1

Note: Totals and percentage change computed from unrounded data.

¹ Data refer to calendar year of the first year shown and include rice in milled terms.

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.

LOW-INCOME FOOD-DEFICIT COUNTRIES FOOD SITUATION OVERVIEW¹

Table 3. Basic facts of the Low-Income Food-Deficit Countries (LIFDCs) cereal situation
(million tonnes, rice in milled basis)

	2015/16	2016/17 estimate	2017/18 forecast	Change: 2017/18 over 2016/17 (%)
Cereal production¹	450.5	473.5	479.8	1.3
excluding India	220.9	228.1	227.7	-0.1
Utilization	493.6	518.9	516.9	-0.4
Food use	401.7	411.6	416.3	1.1
excluding India	208.4	215.0	217.1	1.0
Per caput cereal food use (kg per year)	145.9	146.9	146.0	-0.6
excluding India	144.6	145.8	143.9	-1.3
Feed	38.6	39.8	39.3	-1.1
excluding India	24.1	24.4	23.7	-3.1
End of season stocks²	84.1	77.2	77.8	0.7
excluding India	43.8	42.2	41.6	-1.5

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

² May not equal the difference between supply and utilization because of differences in individual country marketing years.

Table 4. Cereal production¹ of LIFDCs
(million tonnes)

	2015	2016 estimate	2017 forecast	Change 2017 over 2016 (%)
Africa (37 countries)	111.2	118.5	118.0	-0.4
East Africa	45.8	49.1	48.3	-1.7
Southern Africa	9.1	8.3	10.0	19.3
West Africa	51.8	56.9	55.6	-2.3
Central Africa	4.4	4.0	4.1	1.9
Asia (11 countries)	338.5	353.9	360.6	1.9
CIS in Asia	10.9	10.7	10.4	-3.0
Far East	317.7	334.6	341.6	2.1
- India	229.6	245.5	252.1	2.7
Near East	9.9	8.7	8.7	-0.3
Central America and the Caribbean (2 countries)	0.8	1.1	1.2	3.7
Oceania (2 countries)	0.0	0.0	0.0	0.0
LIFDC (52 countries)	450.5	473.5	479.8	1.3

Note: Totals and percentage change computed from unrounded data.

¹ Includes rice in milled terms.

Prospects for cereal production in LIFDCs point to an increase in 2017

FAO forecasts aggregate cereal production of Low-Income Food-Deficit Countries (LIFDCs) in 2017 at 479.8 million tonnes, 1.3 percent (6.2 million tonnes) up on the previous year. The growth mainly pertains to strong upturns in Indian, the largest producing LIFDC, and Southern African countries, after dry-weather reduced outputs in 2016.

In Asia, India's cereal production is forecast to rise by 2.7 percent to 252.1 million tonnes, driven mostly by a larger wheat output on the back of an expansion in plantings. Beneficial weather this year also supported small production gains in Bangladesh, Nepal and Pakistan, maintaining above-average outputs in 2017. In the Near East, the agriculture sectors in the Syrian Arab Republic and Yemen continue to suffer significantly due to the ongoing conflicts, keeping cereal production in 2017 at well below-average levels. In the CIS countries of Asia, production is foreseen to retreat slightly from the high levels of 2016.

In sub-Saharan Africa, harvesting of the 2017 crop is underway in Southern Africa, and cereal production is expected to rebound strongly from the drought-reduced level of last year, mostly owing to wetter conditions. Large annual production gains are forecast for Malawi, as well as for Zimbabwe, where the cereal output is expected to nearly double the level of 2016. However, although not yet quantified, a fall armyworm

¹ The inclusion of a country in the Low-Income Food-Deficit Countries (LIFDCs) group is based on three criteria: 1) the level of the annual per capita Gross National Income (GNI); 2) the net food trade position; and 3) self exclusion (when countries that meet the first two criteria request to be excluded from the category). The new (2016) list of the LIFDCs stands at 52 countries, two less than in 2015 list but with some changes. Three countries graduated out of the list - Bhutan, Honduras and Mongolia - based on income criterion, and one country, Pakistan, has been added to the list, failing the three criteria for exclusion. For full details see: www.fao.org/countryprofiles/lifdc

outbreak and localized flooding are expected to have depressed production in localized areas of the subregion. In East Africa, with planting of the main season crop recently completed in northern parts, the production outlook has been negatively impacted by erratic rains early in the season and pest infestations, while civil insecurity in Somalia and more notably in South Sudan continues to restrain agricultural productive capacities. In United Republic of Tanzania, where harvesting of the main season crop commenced in June, below-average rains have lowered yield prospect and production is foreseen to decline in 2017. While in Burundi and Rwanda, following poor rains at the start of the season, beneficial weather in April and May improved production expectations, with both countries set to record minor increases in 2017. In Central Africa, production is expected to rise in Cameroon and the Central African Republic, mostly on account of favourable weather. However, the continuing insecurity in the Central African Republic, continues to weigh negatively on the production capacities. Production in Central America and the Caribbean, namely Haiti and Nicaragua, is also anticipated to rise in 2017.

Production rebounds in 2017 cut import forecasts in India and Southern Africa

The forecast for aggregate cereal imports by LIFDCs in the 2017/18 marketing year stands at 61.4 million tonnes, almost unchanged compared with the previous year.

Lower import needs are forecast in Southern African countries, on account of expected increases in domestic outputs in 2017, and for the same reason India is anticipated to cut import volumes by over 2 million tonnes compared to 2016/17. In West Africa, where early 2017 production prospects are uncertain, the preliminary import forecast points to an increase this year, while small year-on-year increases are also projected in Central African countries. In East Africa, cereal imports are anticipated to remain unchanged in 2017/18. In Asia, to compensate for expected year-on-year declines in domestic outputs in CIS countries in 2017, imports are projected to rise. In the Far East, excluding India, the import volume is forecast to be up on the previous year, mostly stemming from a higher import forecast for Bangladesh (mostly relating to rice).

Table 5. Cereal imports of LIFDCs
(thousand tonnes)

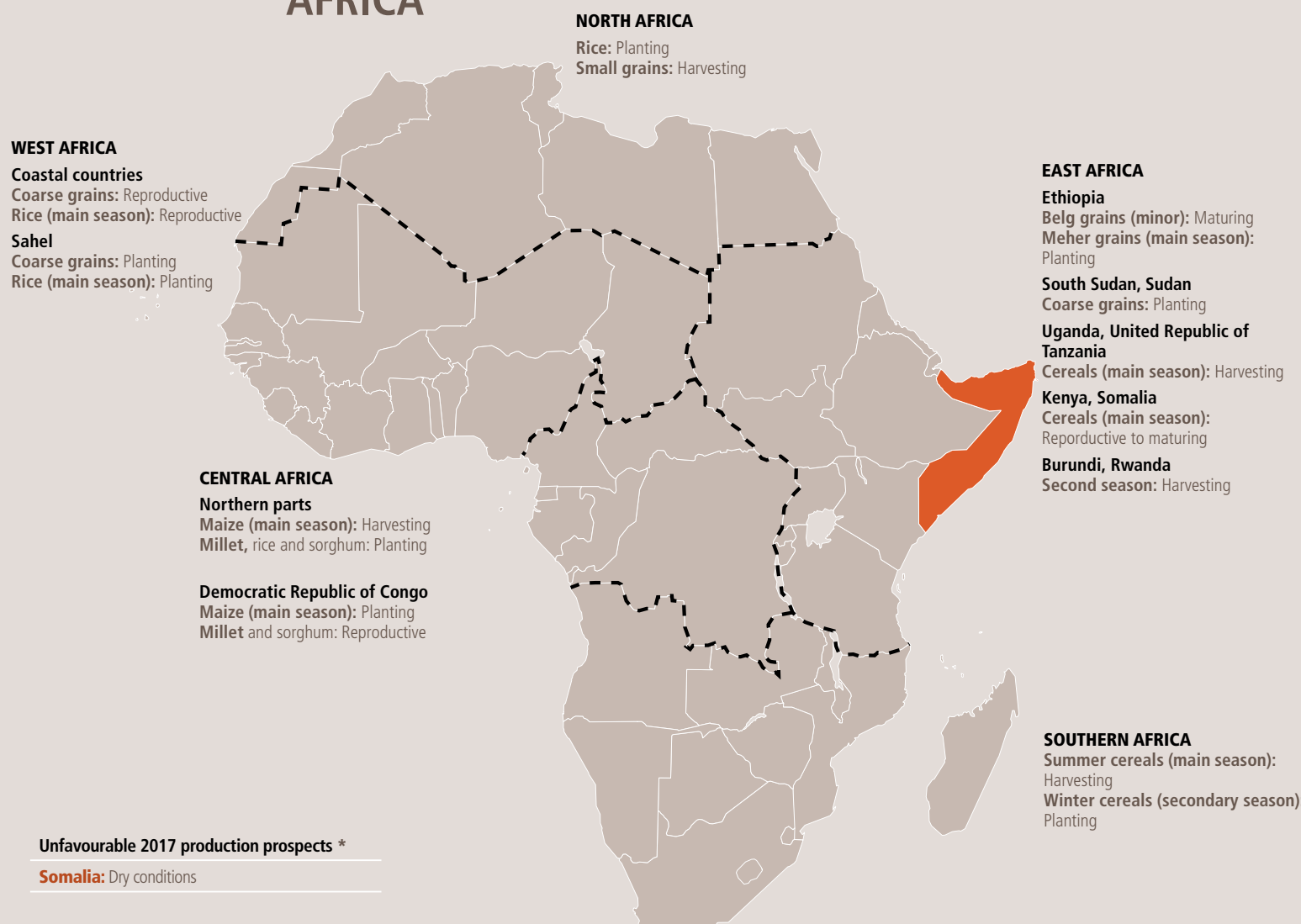
	2015/16 or 2016	2016/17 or 2017	2017/18 or 2018		
	Actual imports	Import forecast	of which food aid	Import requirement ¹	of which food aid
Africa (37 countries)	32 700	33 898	985	33 845	859
East Africa	10 901	10 942	604	10 914	533
Southern Africa	3 143	4 075	94	3 152	40
West Africa	16 916	16 862	129	17 734	129
Central Africa	1 740	2 019	157	2 046	157
Asia (11 countries)	22 394	26 550	811	25 891	718
CIS in Asia	4 510	4 241	1	4 401	1
Far East	7 891	12 257	200	10 888	197
Near East	9 992	10 052	610	10 602	520
Central America and the Caribbean (2 countries)	1 256	1 230	13	1 205	13
Oceania (2 countries)	481	470	0	484	0
Total (52 countries)	56 831	62 149	1 809	61 426	1 590

Note: Totals computed from unrounded data.

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

REGIONAL REVIEWS

AFRICA



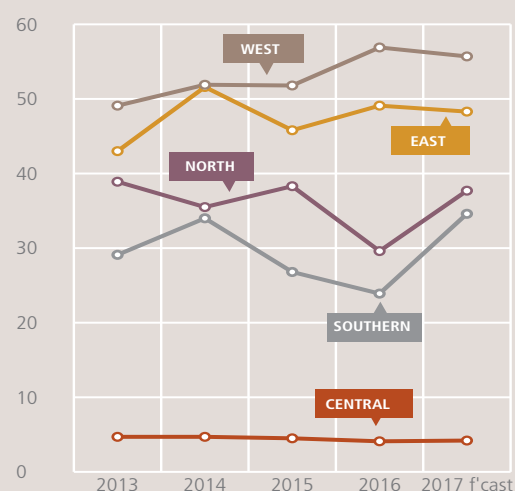
Africa Production Overview

FAO forecasts a 10 percent increase in Africa's cereal production to 179 million tonnes, mainly as a result of strong production rebounds expected in North and Southern Africa. Record cereal outputs are forecast in South Africa and Zambia, mostly associated with significant yearly gains in maize production, while in North Africa, Morocco's output is forecast to more than double in comparison to the poor harvest in 2016.

By contrast, on account of early erratic weather, preliminary forecasts for East Africa's cereal output point to a contraction in 2017, mostly resting on reduced production prospect in the Sudan and the United Republic of Tanzania. In Kenya and Somalia, despite forecasts of small year-on-year gains, dry conditions are foreseen to keep cereal productions at below-average levels.

Planting of the main 2017 cereal crop was recently completed in coastal countries of West Africa, and the early production outlook is mixed on account of uneven early seasonal rains. In Central Africa, a small production increase is foreseen, as beneficial rains boosted yield prospects in most areas.

Cereal production
(million tonnes)



North Africa



Favourable prospects for 2017 winter crops

Harvesting of the 2017 winter wheat started in May in **Egypt**, **Libya** and **Morocco** and is expected to conclude by mid-June. Wheat harvests usually take place in June in **Tunisia** and from mid-June to mid-August in **Algeria**. Winter barley is harvested before wheat and the crop has already been harvested in **Egypt** and **Libya**.

With the exception of **Egypt** and **Libya** (with negligible production), crop production in the rest of the subregion varies markedly from year to year because of the significant rainfall variations and dependence on rainfed agriculture. While parts of **Morocco** suffered from the autumn drought up to mid-November 2016 which delayed plantings in some areas, ample precipitation later in the season replenished soil moisture, improving yield prospects. In **Tunisia**, crop conditions remain favourable despite lower-than-average rainfall in February and March. By contrast, in **Algeria**, the production is likely to be constrained by irregular rainfall in the North East.

Pre-harvest production forecasts indicate an overall above-average 2017 cereal crop at the subregional level, driven by an expected

4.3 million-tonne year-on-year surge in **Morocco's** wheat output following last year's weather-stricken harvest. In **Egypt**, the cereal harvest is expected to be on par with last year and the five-year average. A partial production recovery compared to 2016's output is also expected in **Algeria** and **Tunisia**. FAO's preliminary forecast puts the subregion's aggregate wheat output at 20.1 million tonnes, about 34 percent up on last year's weather-reduced production and 8 percent higher than the five-year average. The subregional barley production is put at about 5 million tonnes, more than double the output of the previous year and 29 percent above average. At 7.2 million tonnes, the maize crop, produced primarily in **Egypt**, is expected to remain the same as in 2016 and close to the five-year average.

North African countries rely heavily on wheat imports from the international market to cover their consumption needs, especially **Egypt**, the world's largest importer. With a below-average 2016 harvest, the subregion's aggregate cereal import requirement (of which wheat, accounts for about 60 percent) for the 2016/17 marketing year (July/June) is estimated at approximately 51 million tonnes, 17 percent above the previous five-year average. Despite above-average cereal harvests in 2017, the subregion's cereal import requirement for the 2017/18 marketing year is forecast to remain at a high level as the countries seek to rebuild stocks.

Inflation increases in Egypt, but remains relatively stable elsewhere

Food price inflation in April 2017 (or March 2017, depending on data availability)

ranged from -1 percent in **Morocco** to almost 44 percent in **Egypt**. A food price inflation of 7.2 percent (in March 2017) was reported in **Algeria** and 5.2 percent in **Tunisia**.

While only small adjustments took place across the subregion, the unusually large increases in **Egypt**, were driven by the sharp currency depreciation in early November 2016, following the floating of the Egyptian pound, causing prices of imported goods to increase, while consequent higher fuel prices pushed up distribution costs. Reports indicate that a large share of Egyptians, once well-off, now struggle to cope with a collapsing economy and survive on handouts. The Egyptian Food Bank, one of the largest aid organizations feeding the hungry, increased handouts by one-fifth and launched a programme to support middle-class families falling into poverty. In response to the high inflation rates and in preparation for Ramadan, the Government of Egypt is considering to increase food subsidies for poorer families. Around 70 million of the country's 92 million people benefit from a subsidy card programme that entitles them to EGP 21 (USD 1.16) worth of goods each month, in addition to five loaves of bread per day.

In **Libya**, general inflation eased from over 30 percent in July 2016 to 22.3 percent in January 2017. High inflation levels remain supported by insecurity induced supply chain disruptions and a weakening Libyan dinar. Some measures were taken to contain soaring prices, such as a ban on vegetable exports.

Table 6. North Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
North Africa	20.9	15.0	20.1	13.3	10.2	13.2	6.0	6.3	6.2	40.2	31.5	39.6	25.5
Algeria	2.8	2.2	2.5	1.3	1.1	1.4	0.0	0.0	0.0	4.1	3.3	3.9	17.7
Egypt	9.0	9.0	8.8	7.8	7.8	8.0	5.9	6.3	6.2	22.7	23.1	22.9	-0.9
Morocco	8.0	2.7	7.0	3.7	0.8	3.0	0.1	0.0	0.1	11.8	3.6	10.1	183.5
Tunisia	0.9	0.9	1.7	0.4	0.4	0.8	0.0	0.0	0.0	1.3	1.3	2.5	90.0

Note: Totals and percentage change computed from unrounded data.

WEST AFRICA



Uncertain prospects for 2017 cereal crops

Planting of the main season 2017 maize crop, to be harvested from July, was completed in May in southern parts of coastal countries along the Gulf of Guinea. Planting of coarse grain crops is progressively moving northwards with the onset of seasonal rains. In the Sahel belt, the rainy season began in May in southern **Burkina Faso**, **Chad**, **Mali**, **Niger** and the extreme southeast of **Senegal**. However, the bulk of planting operations will only start in these countries from June; seasonably dry conditions continue to prevail in most areas of the Sahel. Below-average precipitation was reported at the beginning of the cropping season in southern parts of several coastal countries including **Liberia**, **Sierra Leone**, **Ghana** and **Côte d'Ivoire**. Although rainfall levels increased in recent weeks, improving production expectations, early prospects for the 2017 cereal output still remains uncertain. In the areas affected by earlier dry conditions, late planted or re-planted crops will need rains late in the season to cover their entire growing cycle. In northern Nigeria, where the Boko Haram conflict caused a sharp drop in plantings in 2016 in the affected areas, FAO is providing crop production support to the

affected vulnerable households in Adamawa, Yobe and Borno, distributing fertilizers and vegetable seed kits.

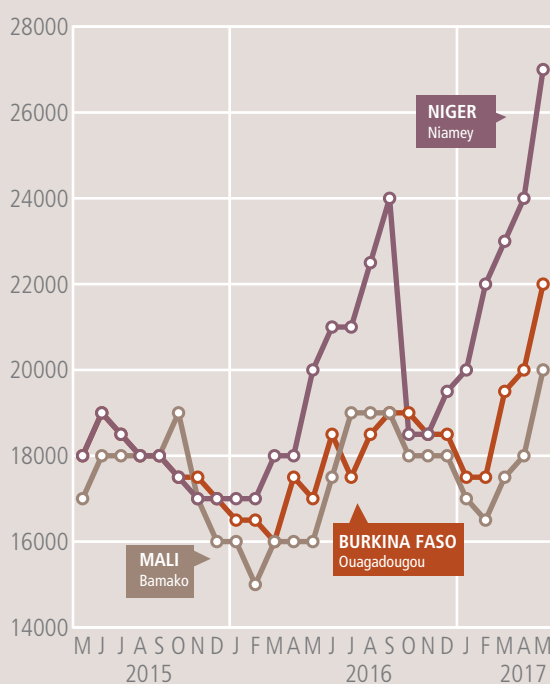
Satisfactory food supply situation in the Sahel after two consecutive years of bumper harvests

Latest estimates put the subregion's aggregate 2016 cereal output, consisting mostly of coarse grains, at about 62 million tonnes, which is 10 percent higher than the previous year's bumper crop and 14 percent above average. Aggregate cereal production in the nine Sahel countries is estimated at a record 25 million tonnes, 9 percent above the 2015 level and 22 percent above average. Record cereal outputs were gathered in **Mali** and **Niger**, while near-record productions were estimated in **Burkina Faso**, **Chad** and **Senegal**. Other Sahelian countries, except **the Gambia** and **Mauritania**, recorded significantly above-average harvests. Similarly, above average cereal harvests were gathered in most coastal countries along the Gulf of Guinea, including **Nigeria**, where the aggregate cereal output is estimated to be 13 percent above the previous year's bumper crop. Following two consecutive years of bumper crops, the overall food supply situation is satisfactory in most countries, particularly in the Sahel region.

Coarse grain prices increased in recent months, following normal seasonal patterns

In the Sahel belt, prices of locally-produced millet and sorghum have been generally

Millet prices in selected West African markets (CFA Franc BCEAO (XOF)/100kg)



Source: Afrique Verte.

on the rise since January. In **Burkina Faso**, **Mali** and **Niger**, prices rose further in May despite the good availabilities from two consecutive bumper harvests. Large institutional purchases compounded the seasonal upward pressure, pushing prices to levels above those a year earlier, particularly in some areas of **Niger**, affected by localized production shortfalls last year. In **Chad**, after several months of decline, coarse grain prices increased in March in most markets but remained lower than a year earlier reflecting last year's bumper crop and improved availability of imported foods after the reopening of the border with Libya which was closed in January this year. In **Senegal**, coarse grain prices

Table 7. West Africa cereal production (million tonnes)

	Coarse grains			Rice (paddy)			Total cereals ¹			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
West Africa	42.6	47.0	45.4	14.3	15.4	16.0	57.1	62.6	61.5	-1.7
Burkina Faso	3.9	4.2	4.4	0.3	0.4	0.4	4.2	4.6	4.8	4.0
Chad	2.2	2.6	2.6	0.2	0.3	0.3	2.5	2.9	2.8	-2.2
Ghana	2.1	2.2	2.1	0.6	0.8	0.8	2.8	3.0	2.9	-1.3
Mali	5.7	6.0	5.9	2.3	2.8	2.8	8.1	8.8	8.7	-1.3
Niger	5.2	5.7	5.7	0.1	0.1	0.1	5.4	5.9	5.8	-0.2
Nigeria	16.8	19.4	17.7	4.8	5.0	5.3	21.6	24.4	23.0	-5.7

Note: Totals and percentage change computed from unrounded data.

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

exhibited mixed trends. Prices of sorghum in April were generally down from a year earlier, while those of millet were higher due to a decline in the 2016 production compared to the previous year. In most countries of the Sahel, prices of rice remained overall stable and were generally around or below their year-earlier values.

In coastal countries, maize prices in **Togo** continued to increase seasonally in April but remained below their year-earlier levels. In **Nigeria**, coarse grain prices seem to have stabilized in recent months after last year's steep increase, which was driven by the sharp depreciation of the local currency. However, the overall weak currency, civil insecurity and high transport costs continued to keep prices well above their year-earlier levels. The average price of rice increased only slightly in March but was more than 50 percent higher year-on-year.

Continuing food emergency in the Lake Chad Basin

In spite of two consecutive years of above average cereal harvests, the humanitarian situation remains critical in the Lake Chad Basin region, including northern **Nigeria**, northern **Cameroon**, **Niger** and **Chad** mainly due to the continuing civil conflict in Nigeria which has resulted in large population displacements in the subregion. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), about 2.6 million people have been internally displaced in the Lake Chad Basin region, including 1.8 million in northern **Nigeria**. The conflict has also caused widespread disruption to agricultural and marketing activities, with the impact of the steep depreciation of the Nigerian naira further negatively impacting on food access. The results from the last Cadre Harmonisé

(CH) analysis held in March 2017 and WFP's Emergency Food Security Assessment indicate that about 6.2 million people in conflict-affected areas are in CH phases 3, 4 and 5 and require urgent food, nutrition and livelihoods assistance. This includes 4.7 million people in Nigeria's Yobe, Adamaoua and Borno states, 830 000 in Niger, 380 500 in Chad and 300 000 in Cameroon's North, Far North, Adamawa and East regions. Another 10.7 million people are classified as CH Phase 2: "Stressed" in the conflict-affected areas. The situation is particularly alarming in northern Nigeria, notably in Borno State where 3.2 million people (41 percent of the population) are in Phase 3 or higher, of which over 38 000 are facing CH Phase 5: "Famine". Projections indicate that the food situation is likely to deteriorate further during the next lean period (June-August 2017) with the number of people facing CH Phase 3: "Crisis" and above expected to increase in the three affected northern Nigerian states to 5.2 million people, including about 50 000 in famine conditions in case of the lack of adequate and timely response. In addition to the impact of the Boko Haram conflict, **Chad** has also been affected by the civil conflict in the Sudan, the Central African Republic and Libya, which has led to an increase in the number of refugees and returnees in the country. The refugee crisis has exacerbated an already fragile food security situation.

In **Guinea**, **Liberia** and **Sierra Leone**, in spite of the relatively low impact of the Ebola Virus Disease on agricultural production in previous years, the lingering negative effect on economic activities and livelihoods continues to impact on households' food security. Moreover, a number of countries were affected by

localized flooding and dry spells that caused crop losses in parts, adversely affecting food availability.

As a result of the various shocks mentioned above, the aggregate subregional number of people in Phase 3: "Crisis" and above is estimated to be over 9.6 million, including 7 million in **Nigeria** according to the latest "Cadre Harmonisé" analysis.

CENTRAL AFRICA



Favourable prospects for 2017 cereal crops

The 2017 main season maize crops, sown from March, will be harvested from July in central and southern parts of **Cameroon** and **the Central African Republic**. In Cameroon, rainfall from March to the first dekad of May has generally been adequate with the exception of pockets of dryness in western and in some central and southern areas. In the Central African Republic, rainfall has been generally favourable since the beginning of March allowing for planting of the 2017 crops. However, despite the beneficial weather conditions and a relative improvement of the security situation, crop production and agricultural activities, in general, continue to be adversely impacted by the persisting conflict in several parts of the country, which caused

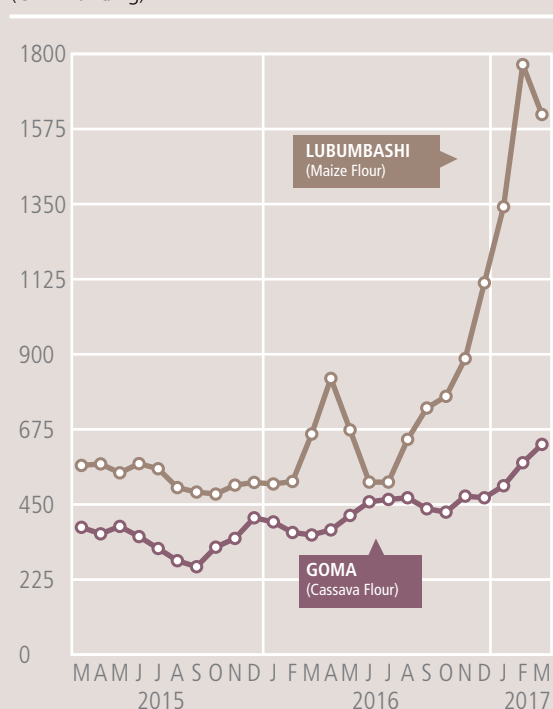
Table 8. Central Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals ¹			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
Central Africa	4.1	3.7	3.8	0.5	0.5	0.5	4.7	4.3	4.4	1.9
Cameroon	2.7	2.4	2.4	0.2	0.2	0.2	2.9	2.6	2.6	0.3
Central African Republic	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Democratic Republic of the Congo	1.3	1.2	1.2	0.3	0.3	0.3	1.6	1.5	1.6	4.9

Note: Totals and percentage change computed from unrounded data.

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

Retail prices of cassava flour and maize flour in selected Democratic Republic of the Congo markets
(CFA Franc/Kg)



Source: Institut National de la Statistique, WFP/VAM

Inflation rates and food prices are generally on the decline except in the Democratic Republic of the Congo

In the **Central African Republic**, the 2016 inflation rate declined slightly to 4 percent and is forecast to fall further in 2017. In the **Democratic Republic of the Congo**, the inflation rate increased slightly to about 1.7 percent in 2016 and owing to a weakening currency, prices are expected to come under upward pressure in 2017. In the southern market of Lubumbashi, prices surged at the end of 2016 and first quarter of 2017, as supplies were affected by the ban on maize exports in neighbouring Zambia. In **Gabon**, the inflation rate was pegged at 2.5 percent in 2016 and is expected to remain unchanged in 2017. In the **Congo** and **Cameroon**, inflation rates are forecast to remain stable or decline in 2017.

According to the latest Integrated Food Security Phase Classification (IPC) from February to May 2017 about 1.1 million people (30 percent of the total population) were in need of urgent assistance (IPC Phase 3: "Crisis" and IPC Phase 4: "Emergency"). Eight out of 15 prefectures are estimated to be in IPC Phase 3: "Crisis", including Ouham, Ouham-Pende, Bamingui-Bangoran, Vakaga, Haut-Mbomou, Basse-Kotto, Haute-Kotto and Ouaka, and require urgent humanitarian action. Ouham-Pende was in IPC Phases 3 and 4 for more than three consecutive years.

Similarly, in the **Democratic Republic of the Congo**, civil conflict, especially in the eastern provinces, has continued to severely damage local livelihood systems and caused massive population displacements. As of March 2017, the IDP caseload was estimated at 3.7 million, 1.5 million more than the previous estimate in April 2016. The increase is mostly due to recent armed clashes affecting Kasai-Central, Kasai Oriental, Kasai, Lomami and Sankuru provinces since August 2016. The country also hosts 102 500 refugees from the Central African Republic, 73 300 from South Sudan and 37 300 from Burundi. According to the latest available IPC analysis from June 2016 to January 2017, the number of people in acute food insecurity and livelihood crisis (IPC Phase 3: "Crisis" and IPC Phase 4: "Emergency") was estimated at about 5.9 million, about 10 percent less than a year earlier. However, armed clashes in the Dibaya Territory (Kasaï Central Province and the resurgence of conflict in Tanganyika Province at the end of 2016, are likely to have caused an increase in the food insecure caseload. In **Cameroon**, as of end March 2017, about 224 000 Nigerian refugees fled into Cameroon due to the civil unrest in northeastern Nigeria, which has spread into neighbouring countries and which has also resulted in the displacement of 203 000 Cameroonians. The number of severely food insecure people in Cameroon is currently estimated at 1.5 million individuals. The area most affected by food insecurity is the Far North Region.

the loss and depletion of households' already inadequate productive assets. Moreover, the civil insecurity is constraining humanitarian access and assistance to farming households. To respond to the needs of the crisis hit farmers, FAO has provided crop production support to more than 150 000 vulnerable households across the country, distributing seeds and tools.

In the **Democratic Republic of the Congo**, harvesting of the 2017 maize crop was concluded in May in southern uni-modal rainfall areas, while in central and northern bi modal rainfall areas the secondary season maize harvest is underway. Above-average rainfall was received over most cropping areas benefiting maize crops. In the Republic of the **Congo** and **Gabon**, where harvesting of the second season crops normally starts in June, overall rainfall during the cropping season was above average in most departments contributing to normal crop development. In both countries nonetheless, the bulk of the national cereal requirement is satisfied with imports.

Food insecurity remains alarming in the Central African Republic and parts of Cameroon and the Democratic Republic of the Congo

Ongoing civil insecurity in the **Central African Republic** and in eastern **Democratic Republic of the Congo** has resulted in massive population displacements hindering food access for the affected population. By the end of April 2017, about 480 000 refugees from the Central African Republic have sought refuge in neighbouring Cameroon (275 000), the Democratic Republic of the Congo (102 500), Chad (73 000) and the Congo (30 000), straining the limited resources of host communities. In addition, the Internally Displaced Persons (IDP) caseload in the **Central African Republic** was estimated at about 440 000 by the end of April. The food security situation in the Central African Republic remains alarming especially in the northwestern, north central, south central and eastern zones due to deteriorating security conditions in those prefectures.

East Africa



Erratic rainfall and pest infestations affect 2017 main season crops

After a late onset of seasonal rains, planting of 2017 main season crops was concluded in early May in Somalia ("gu"), Kenya ("long-rains"), Ethiopia ("meher" long-cycle crops, namely maize and sorghum), southern South Sudan ("green belt"), northern United Republic of Tanzania ("masika") and in the Karamoja region in northeastern Uganda. Rains in these areas have so far have been erratic and insufficient resulting in crop wilting and negatively effecting the planted area and yields. While recent abundant precipitation in early May has reduced moisture deficits in some cropping areas, it also triggered localized flooding. In addition, fall armyworm infestations in parts of western and southeastern **Kenya**, southwestern **Ethiopia**, **Uganda** and the **United Republic of Tanzania** are likely to further constrain yields in the affected areas.

In **Somalia**, "gu" rains started at the end of April, after a two-to-three week delay, and have been below average in most

areas. In key crop-growing Bay and Lower Shabelle regions, early season dryness led to crop wilting and forced farmers to replant. Recent abundant rains are unlikely to reverse the expected decline in yields for most rainfed crops, as they occurred too late during the growing season. Similarly, in **Kenya**, "long-rains" have been well below average from March to late April in most cropping areas. The severe rainfall deficits are reported in most central counties as well as in southeastern and coastal agro-pastoral and marginal agricultural areas. Heavy rains in late April and early May eased moisture deficits and improved vegetation conditions especially in key-producing areas of western Rift Valley, but resulted in localized floods in some central and coastal counties with losses of standing crops and livestock. In southern bi-modal rainfall areas of **South Sudan**, seasonal rains were average to above average in the "green belt", including the former Central and Western Equatoria states, while in the former Eastern Equatoria State accumulated rainfall was well below average, negatively impacting on planting activities and the germination of early-planted crops. Across the country, agricultural activities continue to be affected by the protracted and widespread insecurity, which is constraining access to fields and continues to cause large-scale displacement of people and damage to households' productive assets. In bi-modal rainfall areas of northeastern **United Republic of Tanzania**, "masika" rains were erratic and below average in March and April, with the largest rainfall deficits recorded in Arusha, Kilimanjaro, Manyara and Shinyanga regions. In western **Ethiopia** ("meher" short-cycle crops, namely wheat, barley and teff), **Eritrea**, northern **South Sudan** and **the Sudan**, planting of the

2017 main season crops is underway. According to the latest weather forecast by the Greater Horn of Africa Climate Outlook Forum (GHACOF), the June-to-September rains are likely to be generally favourable, with average to above-average amounts expected in most major cropping areas. Weather conditions are likely to be drier than usual only in southern and central Uganda and in the northeastern Afar Region in Ethiopia.

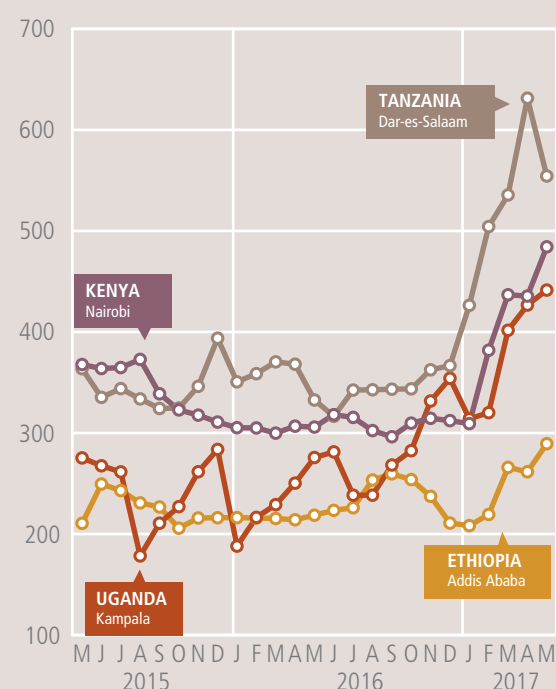
The 2017 main season is more advanced in southern cropping areas of the subregion, including in southern and central **United Republic of Tanzania** ("msimu" crops), **Uganda** ("first season" crops) as well as in **Rwanda** and **Burundi** ("B season" crops). In most of these areas, where crops are normally gathered from June, harvests are expected to be significantly delayed, while yields have been affected by below-average rainfall and localized armyworm infestations. In central and southern **United Republic of Tanzania**, early season dryness in December and January was followed by average to above-average rainfall in the following months, which reduced soil moisture deficits and lifted production prospects in southern key-growing areas, including Mbeya and Iringa regions. By contrast, in central Tabora, Singida and Dodoma regions, where the moisture deficits were more severe, vegetation conditions remain poor despite the recent improved rainfall. In southern and central **Uganda**, after an early onset of seasonal rains in February, rains have been mostly erratic and below average, with the largest rainfall deficits recorded in southwestern districts. In **Rwanda** and **Burundi**, after a delayed start of the rainy season,

Table 9. East Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals ¹			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
East Africa	5.3	5.3	5.4	38.0	41.1	40.4	47.1	50.6	49.6	-1.9
Ethiopia	4.2	4.3	4.3	18.8	19.0	19.1	23.1	23.4	23.5	0.3
Kenya	0.4	0.4	0.4	3.7	3.2	3.7	4.2	3.7	4.2	12.9
Sudan	0.5	0.5	0.5	2.9	7.4	6.3	3.4	7.9	6.8	-14.4
Uganda	0.0	0.0	0.0	3.2	2.9	3.2	3.4	3.2	3.4	7.6
United Republic of Tanzania	0.1	0.1	0.1	7.2	6.5	6.0	10.3	10.0	9.3	-7.4

Note: Totals and percentage change computed from unrounded data.

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

Maize prices in selected East African markets
(USD/tonne)

Source: Regional Agricultural Trade Intelligence Network; Ethiopian Grain Trade Enterprise

Prices of cereals on the increase and at exceptionally high levels in May

In most countries of the subregion, cereal prices surged in recent months and reached record to near-record levels. Seasonal patterns were exacerbated by reduced supplies from the drought-affected 2016 second season outputs and uncertain prospects for the upcoming harvests due to poor rains and crop pests. In **Uganda** and **the United Republic of Tanzania**, where sustained demand from neighbouring countries provided further support, prices of maize surged by 30-50 percent between January and May, to record highs. Similarly, in **Kenya**, maize prices increased by 45-65 percent over the same period and were at record highs in May despite recent measures by the

Government to boost imports in an effort to ease supply pressure and contain price increases. In **Ethiopia**, prices of maize increased by 35-55 percent during the first semester of 2017 and in May were well above their year-earlier levels as seasonal trends were exacerbated by uncertain prospects for the 2017 secondary season "belg" harvest affected by dry weather in several producing areas. In **the Sudan**, prices of the main cereal staple sorghum rose seasonally in recent months but at a moderate pace and in May they were up to 30 percent below their year-earlier levels as a result of adequate domestic availabilities from the above-average 2016 harvest. In **South Sudan**, prices of maize and sorghum, after having declined slightly in the capital, Juba, in January with the harvest of second season crops in southern bi-modal rainfall areas, surged by about 50 percent between February and April to record levels and were up to four times above their levels of April 2016. These steep increases largely resulted from insecurity, a tight supply situation and a significant depreciation of the local currency. In **Somalia**, prices of maize and sorghum, after having sharply increased in December 2016 and January 2017, remained firm in recent months mainly as a result of large-scale humanitarian assistance. However, cereal prices in April were up to more than twice

their year-earlier levels as a result of the drought-reduced 2016 cereal output.

High risk of famine persist in Somalia

The aggregate number of people in need of humanitarian assistance in the subregion is estimated at a record high of 26.5 million people, over 6 million higher than one year ago. Although food security conditions have started to improve in southern and central parts of **the United Republic of Tanzania**, **Uganda** (except in the Karamoja region), **Rwanda** and **Burundi**, as the main season green crops become available for consumption, the situation is expected to deteriorate further in the rest of the countries as the lean season peaks just prior to the main harvest in July/August.

In **Somalia**, famine is still a concrete risk in several areas and has been prevented so far essentially due to the delivery of large-scale humanitarian assistance. After the failure of the 2016 "deyr" season (October-December), a harsh and prolonged January to March "jilaal" dry season caused severe pasture deterioration with massive losses of livestock and reduction in milk availability, particularly in northern and central pastoral areas. In addition, the off-season "deyr" crop production has been negligible. According to the latest multi-agency assessment, about 3.2 million people (one-quarter of the overall population) are estimated to be severely food insecure (IPC Phases 3 and 4), over three times the level of one year earlier. Food security conditions are expected to improve only marginally in July/August due to the unfavourable prospects for the next "gu" season harvest, which is likely to replenish household food stocks only partially.

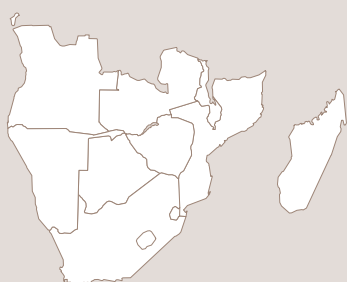
In **South Sudan**, despite significant efforts in humanitarian assistance, famine conditions remain in parts of Unity State. Countrywide, as the lean season is approaching its peak, about 5.5 million people are estimated to be severely food insecure (IPC Phases 3, 4 and 5) and food access continues to be severely constrained by high prices, market disruptions and limited income-earning opportunities. In **the Sudan**, food security conditions of IDPs and poor households have deteriorated in conflict-affected areas of South Kordofan State and Darfur Region due to displacements and disruption of trade flows. In drought-affected areas of **Kenya** and southern and southeastern **Ethiopia**,

production prospects for the "B season" crops have improved following favourable weather conditions in April and May. In **Ethiopia**, harvesting of secondary season "belg" crops is about to start and the outlook is mixed. The February-to-May rainy season had a good performance in the highlands of eastern Oromia and southern Tigray regions, while rains were mostly erratic and below average in southern Oromia, eastern Amhara and eastern SNNP regions.

Prolonged drought conditions have severely affected pasture, browse and water availability in most pastoral and agro-pastoral areas. The failure of the 2016 October-December "deyr/short-rains" rainy season was followed by a harsh dry season, characterized by higher-than-normal land surface temperatures. Subsequently, the late and erratic start of the 2017 "gu/genna/long-rains" has caused a further deterioration of rangeland conditions to extremely poor levels. Abundant rains in May regenerated forage and water resources in most countries. However, severe forage and water deficits still persist in central and southern **Somalia**, southeastern **Ethiopia** and northern and eastern **Kenya**, which resulted in extremely poor livestock body conditions, high animal mortality rates and a decline of milk production to record low levels.

pastoral households are facing severe levels of food insecurity due to the unavailability of milk and meat for both consumption and sale, combined with very low terms of trade that are severely constraining their capacity to buy food in the local markets. Favourable rains in early May have brought some relief to exhausted grazing resources, but their positive effect is likely to be limited as the rainy season is approaching its end.

Southern Africa



Maize production to rebound strongly in 2017

Despite some early seasonal delays, overall beneficial rains in 2016/17 have boosted cereal yield prospects and rejuvenated pastures in most areas of Southern Africa. The outbreaks of African army worm and fall army worm, a new invasive species in the subregion that was first detected in **Zambia** in December 2016 and spread to most countries in Southern Africa, are expected to have negatively impacted on localized outputs. However, the effect was not as significant as initially expected, partly owing to governments' response, with FAO supporting control activities. As a result, 2017 cereal production, mostly consisting of maize, is set to rebound sharply from the drought-reduced level of

the previous year while livestock conditions have also improved. However, in addition to the localized impact of the army worm outbreaks, flood damage and the effects of cyclones in **Madagascar**, are expected to constrain agricultural outputs in the affected areas, sustaining stressed food security conditions.

Aggregate maize production in 2017, with the harvest underway, is forecast at 28.4 million tonnes, over 10 million tonnes above the previous year and 27 percent (6 million tonnes) up on the average. Much of the year-on-year growth pertains to a steep upturn in **South Africa's** output, where maize production is foreseen to reach a record high level of 16.4 million tonnes, double the level of the 2016 harvest. Both an enlarged area planted, instigated by higher prices and a tight supply situation, and higher yields, on account of favourable rains, contributed to this year's rebound. Significant annual production increases are also forecast in **Malawi**, **Zambia** and **Zimbabwe**, where maize outputs are expected to rise by more than 0.5 million tonnes in each country, with Zambia's harvest expected at a record high. The support by the governments in the form of large-scale subsidized input programmes continued to sustain agricultural productive capacities, assisting farmers to respond positively to the higher grain prices in 2016 and expand plantings, which, in addition to higher yields, supported the annual production increases. Lesser production gains are forecast in **Angola** and **Mozambique**, reflecting drier weather in some of the major producing areas, while flood damage also constrained outputs in localised zones of both countries. In the import-dependent countries of **Botswana**, **Lesotho**,

Namibia and **Swaziland**, where domestic production satisfies between 5-45 percent of total maize utilization, outputs in 2017 are foreseen to reach above-average levels. By contrast, suppressed seasonal rains in **Madagascar** in the main central-producing regions of the country and the impact of cyclone Ewano, which made landfall in the northeast and traversed some of the main agricultural areas are expected to result in a well below-average rice output. In addition to maize and rice, the subregional outputs for sorghum and millet are forecast to rise. By contrast, the aggregate wheat output, mainly grown in the winter months and to be harvested in the last quarter of 2017, is foreseen to fall, largely resting on an anticipated decrease in **South Africa**, the subregion's main producer, where early weather conditions during the current planting period have been unfavourable.

Cereal supply prospects vastly improved in 2017/18

Reflecting expectations of a bumper subregional maize output, aggregate maize imports for the 2017/18 marketing year (generally May/April) are forecast to contract by over 3 million tonnes from the well above-average level of 2016/17. Most of this decline would stem from a reduction in **South Africa**, which imported over 2.5 million tonnes in 2016/17, but is expected to import only minimal quantities this year. Substantial cuts to import requirements in **Malawi** and **Zimbabwe** are also forecast, on account of increased harvests in 2017. More moderate year-on-year decreases are expected in the import-dependent countries of **Botswana**, **Lesotho**, **Namibia** and **Swaziland**, as these countries re-build their stocks following two consecutive years of reduced outputs.

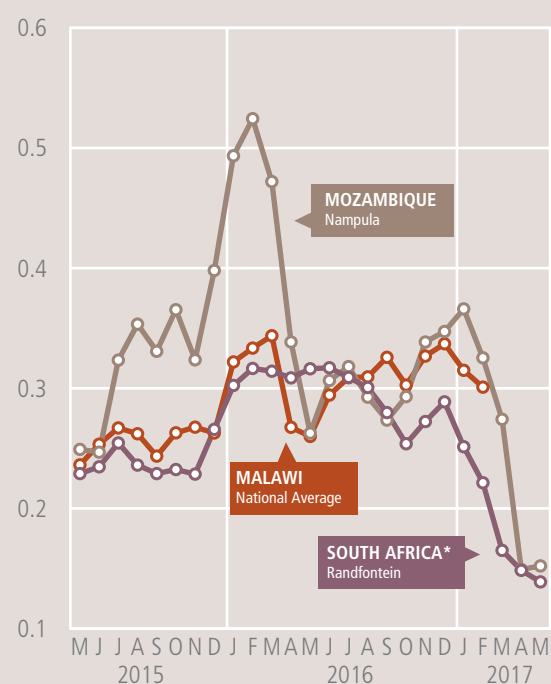
Table 10. Southern Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
Southern Africa	1.7	2.2	2.1	22.2	18.8	29.7	4.3	4.3	4.1	28.2	25.3	35.9	41.7
- excl. South Africa	0.3	0.3	0.3	11.1	10.1	12.8	4.3	4.3	4.1	15.6	14.7	17.2	17.1
Madagascar	0.0	0.0	0.0	0.3	0.3	0.3	3.7	3.8	3.5	4.1	4.1	3.8	-7.5
Malawi	0.0	0.0	0.0	2.9	2.4	3.3	0.1	0.1	0.1	3.0	2.5	3.5	36.6
Mozambique	0.0	0.0	0.0	2.1	2.1	2.3	0.4	0.3	0.4	2.5	2.4	2.7	10.4
South Africa	1.4	1.9	1.8	11.1	8.7	16.9	0.0	0.0	0.0	12.6	10.6	18.7	75.6
Zambia	0.2	0.3	0.2	2.7	2.9	3.7	0.0	0.0	0.0	2.9	3.2	4.0	23.6
Zimbabwe	0.0	0.0	0.0	0.8	0.6	1.2	0.0	0.0	0.0	0.9	0.6	1.2	94.9

Note: Totals and percentage change computed from unrounded data.

Maize exports from the subregion are forecast to increase. However, the market for imports in Southern Africa will be limited on account of the higher domestic outputs in 2017 that will restrain demand for external supplies. Consequently, exporting countries may need to seek destinations outside of the subregion. **South Africa** is expected to return to being a net exporter and is provisionally forecast to export 2.8 million tonnes of maize in 2017/18, while **Zambia** is also likely to export larger volumes compared to the previous year.

White maize prices in selected Southern African markets
(USD/kg)



* Wholesale prices, all others retail prices

Sources: Sistema De Informação De Mercados Agrícolas De Moçambique, Mozambique; Ministry of Agriculture and Food Security, Malawi; SAFEX Agricultural Products Division, South Africa.

Prices of maize began to fall seasonally and were generally down on a yearly basis

Maize prices have been pressured downwards in recent months due to expectations of bumper harvests and a favourable supply situation, with prices in April/May generally down on an annual basis. In **South Africa**, prices of white and yellow maize were between 40-65 percent below their year earlier levels, mostly reflecting expectations of a record production in 2017. The strengthening

of the South African rand since the start of the year has also supported lower prices. These declining grain prices have contributed to stabilizing or decreasing maize meal prices in **Namibia** and **Swaziland**, which are dependent on South African supplies to meet their consumption needs. In addition, favourable production outlooks in both of these countries has further contributed to the lowering prices to levels below the previous year. In **Mozambique**, maize prices began to decline in February in several markets on account of harvest pressure and were below or reaching their year earlier levels as of May. In addition, a further contributing factor to the decreasing levels was an easing of imported inflation following a moderate appreciation of the local currency against the South African rand, the country's main source of maize grain. In May, prices of maize meal in **Zimbabwe**, which have

remained stable since mid-2016, moved marginally upwards in March 2017 prior to the harvest but were still well below their levels a year earlier. Prices in **Zambia** and **Malawi** fell seasonally in April and May as the harvest commenced and favourable production prospects exerted downward pressure.

Food security to improve in 2017/18, mostly on account of an expected recovery in the agricultural output

Food security conditions are anticipated to improve in 2017/18, reflecting the expected bumper harvests that will help to replenish households' food supplies, while the current declining prices are improving food access. In 2016/17, according to the Vulnerability Assessment Committees' (VACs) evaluations, approximately 18.6 million people required assistance, up from 10.8 million in the previous year². The increase mainly reflected the impact of the drought-reduced agricultural output and higher food prices. With the 2017 VAC assessments currently being finalized, the number of food insecure, which is expected to decline in most countries, will only be available from July. Despite an overall more positive outlook, the areas that were affected by the fall army worm infestation and floods are likely to continue to experience stressed conditions due to lower harvests. In **Madagascar**, the impact of the cyclone and a below-average rice harvest at the national level will negatively weigh on the food security situation, despite some improvements foreseen in the previously drought-stricken southern regions that mainly rest on a recovery in the agricultural output this year.

² Excluding South Africa.

REGIONAL REVIEWS

ASIA

CIS IN ASIA

Maize: Reproductive
Small grains: Harvesting
Wheat (north): Maturing to harvesting
Wheat (south): Harvesting

NEAR EAST ASIA

Grains: Harvesting

FAR EAST ASIA

Southern Far East Asia
Rice (main) and coarse grains:
Planting

India
Coarse grains and rice (kharif):
Planting

FAR EAST ASIA

China
Early rice: Harvesting
Late rice: Planting
Maize (north): Vegetative to reproductive
Maize (south): Harvesting
Wheat (spring): Vegetative to reproductive
Wheat (winter): Harvesting
Southeastern Far East Asia
Maize: Planting to vegetative
Rice (main): Planting to vegetative

Unfavourable 2017 production prospects *

Sri Lanka: Drought

The Syrian Arab Republic: Conflict

Note: Situation as of June

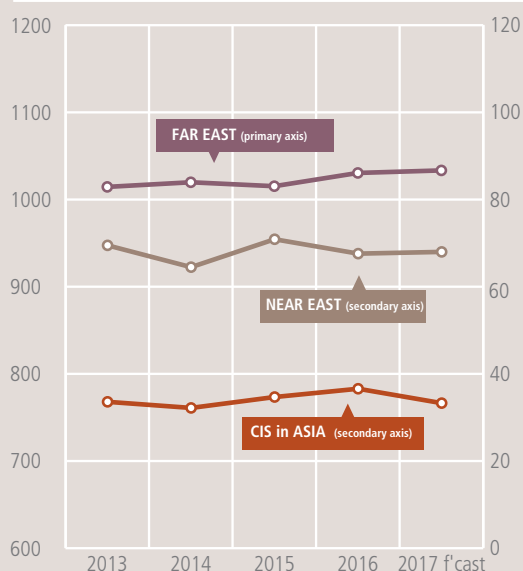
■ ■ Subregional borders

Asia Production Overview

FAO forecasts a virtually unchanged cereal production in Asia, projected at 1 364.8 million tonnes (rice in paddy terms). In the Far East, the cereal output is foreseen to rise marginally on an annual basis, mostly resting on an improved wheat output in India. An expected year-on-year gain in the subregional paddy production also boosted overall production prospects, although severe drought conditions in Sri Lanka elicited a significant cut to their production forecast. These yearly gains are expected to more than counter a small decline in China's cereal output, the largest cereal producer of the subregion.

In the Near East, generally favourable weather is expected to instigate a small increase in cereal yields and, therefore, only moderate production gains in the main producers of the subregion, the Islamic Republic of Iran and Turkey. In the Syrian Arab Republic and Yemen, the persisting conflicts continue to severely constrain agricultural production.

In the CIS countries of Asia, production is expected to fall from the bumper levels of last year, but remain above average, as yields are forecast to return to average levels, notably in the main producer Kazakhstan.

Cereal production
(million tonnes)

Far East



Cereal production forecast to increase marginally in 2017

Harvesting of the 2017, mostly irrigated, wheat crop is almost complete in the subregion. For rice and maize, countries along and south of the equator have completed harvesting of the 2017 main season crops, while Northern Hemisphere countries, which account for the bulk of the subregion's rice and maize outputs, have just started planting the main 2017 crops. Based on the latest wheat production estimates and early prospects for the coarse grains and rice outputs, FAO preliminarily forecasts the subregional 2017 cereal output at 1 262 million tonnes (rice in paddy terms), marginally above the previous year's level and, if realized, would represent a new record high. The

moderate increase mainly reflects expected larger rice and wheat harvests that are foreseen to more than offset a drop in the maize production.

FAO's latest estimate for the subregion's aggregate 2017 wheat output, including the forecast of the minor spring wheat crop, stands at 256.6 million tonnes, almost 5.3 million tonnes or 2 percent above the bumper level of 2016. The bulk of this year's increase is anticipated to come from **India**,

where the 2017 wheat production is officially estimated at 97.4 million tonnes, 6 percent above last year's good level and an all-time high. The increase is mostly on account of a 7 percent year-on-year expansion in the area planted to 31.8 million hectares, encouraged by the Government's large purchase programme at high Minimum Support Prices (MSP), high domestic prices and adequate irrigation water supplies. In **China (Mainland)**, the 2017 wheat output is officially forecast at 129.2 million tonnes, similar to the 2016 bumper output, as plantings are estimated to be close to last year's high level supported by continuing State incentives in the form of purchases at MSP and overall favourable weather conditions that have

benefited yields. In **Pakistan**, the 2017 output is projected to decrease marginally compared to last year's near-record level, but is still expected to remain above the five-year average at 25.1 million tonnes. The small year-on-year decrease results from a contraction in plantings in the rainfed areas following dry conditions during the planting period from September to December 2016. Increased plantings boosted wheat production to record levels in **Bangladesh** and **Mongolia**, while favourable weather conditions benefited wheat yields in **Nepal** and **Japan** resulting in moderate annual production gains. Similarly, in the **Democratic People's Republic of Korea**, wheat crop production is expected to increase compared to last year's reduced level mainly reflecting an expansion in plantings.

The subregion's aggregate 2017 paddy output is preliminarily forecast at 679.5 million tonnes, marginally surpassing the 2016 record output. The year-on-year increase is on account of a projected increase in **India** and **Indonesia**, mostly resting on expectations of planting expansions, as several recent government initiatives that aim to support rice production are continuing to encourage farmers to favour rice cultivation over other crops. Similarly, in **China (Mainland)**, the 2017 aggregate rice production is foreseen to increase based on higher yields. The paddy output is forecast to recover from last

Table 11. Far East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
Far East	246.6	251.3	256.6	327.3	331.0	325.8	664.7	675.2	679.5	1 238.6	1 257.5	1 261.9	0.4
Bangladesh	1.4	1.4	1.4	2.8	2.9	2.9	52.5	52.1	52.2	56.6	56.3	56.5	0.3
Cambodia	0.0	0.0	0.0	0.4	0.7	0.8	9.3	10.0	9.7	9.7	10.7	10.5	-1.4
China	130.2	128.9	129.2	234.1	230.4	223.5	209.8	208.5	209.4	574.1	567.7	562.0	-1.0
India	86.5	92.3	97.4	38.7	44.1	44.3	156.6	163.7	165.5	281.8	300.1	307.3	2.4
Japan	1.0	0.8	0.8	0.2	0.2	0.2	10.5	10.7	10.7	11.7	11.6	11.7	0.3
Myanmar	0.2	0.2	0.2	1.8	1.9	2.0	27.5	28.0	28.3	29.4	30.1	30.4	1.0
Nepal	2.0	1.7	1.8	2.6	2.6	2.6	4.3	5.2	5.4	8.8	9.6	9.8	2.8
Pakistan	25.1	25.5	25.1	5.6	5.9	6.1	10.2	10.0	10.3	40.9	41.4	41.5	0.3
Philippines	0.0	0.0	0.0	7.0	8.1	7.8	17.5	18.5	18.6	24.4	26.6	26.4	-0.8
Republic of Korea	0.0	0.0	0.0	0.2	0.2	0.2	5.8	5.6	5.5	6.0	5.9	5.7	-3.0
Thailand	0.0	0.0	0.0	4.8	4.8	4.8	28.5	32.6	33.3	33.3	37.4	38.1	1.8
Viet Nam	0.0	0.0	0.0	5.3	5.2	5.2	45.2	43.6	44.0	50.5	48.8	49.2	0.7

Note: Totals and percentage change computed from unrounded data.

year's dry weather-affected production in **Viet Nam**, but remains slightly below the five-year average. Similarly, paddy outputs are preliminarily forecast to recover compared to last year's dry weather-affected harvests in **Malaysia** and **Timor-Leste**. In **Thailand**, the paddy output is forecast to increase from last year's below-average level, supported by a small increase in plantings. A production increase is also forecast in **Pakistan**, associated with an expansion in plantings to average levels, supported by a recovery in local rice prices. By contrast, the paddy output is anticipated to decrease slightly in Cambodia, as yields are expected to return to average levels after last year's record highs. In **the Republic of Korea**, production is also forecast to fall mainly associated with a reduction in plantings that reflects the Government's effort to shift away from paddy cultivation to other crops in order to avoid over supply due to successive bumper harvests and declines in domestic rice consumption. The largest reduction in the 2017 paddy output is expected in **Sri Lanka**, where a severe drought in 2016 and early 2017 affected large swathes of the main cropping areas. Heavy rains in late May caused a series of localized floods and landslides, mostly concentrated in southwestern parts of the country, resulting in loss of lives, significant population displacements and damage to agriculture and infrastructure. A joint FAO-WFP Crop and Food Security Assessment Mission (CFSAM) was

conducted in March and the results, expected to be released in June, will provide more details on the agricultural and food security situation.

The 2017 subregional maize output is projected to decrease marginally to 294.5 million tonnes reflecting a 7.3 million-tonne reduction in **China (Mainland)**, driven by a 3 percent contraction in plantings. This is the second consecutive year of area cuts for maize in China (Mainland) as farmers are gradually shifting land from maize to more profitable crops, including soybeans, rice and peanuts, in response to the Government's decision taken in 2016 to remove the MSP for maize.

Cereal imports forecast to fall in 2017/18 for the second consecutive year, while exports expected to expand slightly

Aggregate cereal imports in the 2017/18 marketing year are forecast to decrease, but still remain above the previous five-year average. Most of this year's decline is expected due to reduced demand of coarse grains from China (Mainland), and wheat from India and Thailand. In **China (Mainland)**, considerably lower imports are projected for maize, but also for barley and sorghum. This reflects the implementation of Government policies to diminish the large national maize inventories through increased sales from State reserves. Similarly, the 2017/18

aggregate wheat imports are expected to fall by 7 percent to 50.7 million tonnes. Most of this decline is projected to come from **India**, where a 5 million-tonne recovery in the 2017 output is expected to halve the 2017/18 wheat imports to 2.5 million tonnes from the high level in 2016/17. Demand for wheat and wheat flour is also foreseen to decrease in **Thailand**, mirroring the Government's implementation of import restrictions on feed wheat, while high levels of stocks from successive bumper harvests will likely result in lower wheat purchases by **China (Mainland)**. Similarly, wheat imports are projected to remain close to last year's high level in **Viet Nam** owing to strong domestic demand for both high-quality wheat for milling and low-quality wheat for animal feed. Similarly, subregional rice imports in the 2017 calendar year are forecast to increase by 13 percent to 14 million tonnes, mostly reflecting higher anticipated deliveries to **Sri Lanka**, following the significant reduction in the 2017 production, as well as **China (Mainland)** and **the Philippines**.

Exports of cereals in the subregion consist mostly of rice and, to a lesser extent, wheat. Aggregate rice exports in calendar year 2017 are forecast at 35.6 million tonnes, implying a 6 percent recovery from last year's reduced level. Wheat exports are also projected to decrease by 4 percent to 2.4 million tonnes, mostly reflecting lower exports from **Pakistan**.

Table 12. Far East cereal production and anticipated trade in 2017/18 ¹
(thousand tonnes)

	Avg 5-yr (2012/13 to 2016/17)	2016/17	2017/18	2017/18 over 2016/17 (%)	2017/18 over 5-yr avg (%)
Coarse grains					
Exports	4 663	3 315	3 695	11.5	-20.8
Imports	60 111	61 798	60 642	-1.9	0.9
Production	322 749	331 000	325 840	-1.6	1.0
Rice-milled					
Exports	35 195	35 574	36 221	1.8	2.9
Imports	13 805	14 036	13 403	-4.5	-2.9
Production	443 742	448 259	451 008	0.6	1.6
Wheat					
Exports	5 369	2 503	2 395	-4.3	-55.4
Imports	42 931	54 257	50 748	-6.5	18.2
Production	247 706	251 282	256 589	2.1	3.6

¹ Marketing year July/June for most countries. Rice trade figures are for the second year shown.

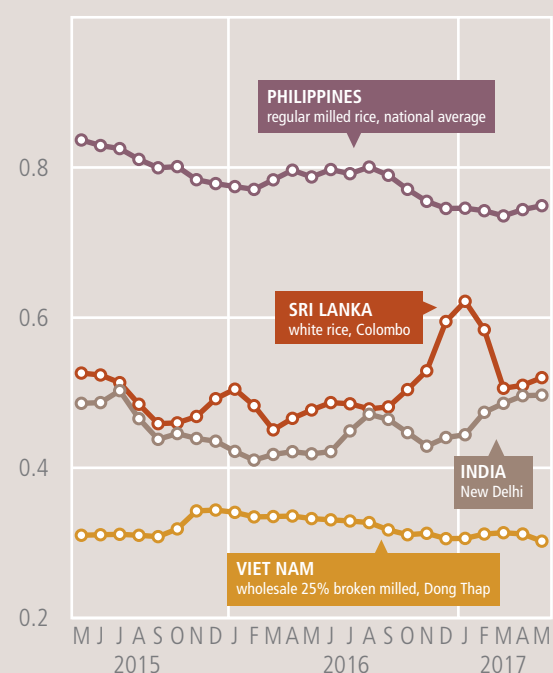
Prices of rice followed mixed trends in exporting countries, while wheat prices generally declined

In the exporting countries of the subregion, domestic prices of rice followed mixed trends in recent months. In **Thailand**, rice prices rose for the second consecutive month in May reflecting stronger demand. Similarly, in **Myanmar**, increased sales abroad underpinned prices gains in recent months. Despite these increases, however, prices in both countries remained lower than the corresponding month of last year on account of an overall good domestic supply situation reflecting last year's production recovery. In **India**, rice quotations have remained virtually unchanged since the beginning of the year. By contrast, in

Viet Nam, rice prices have declined for two consecutive months and in May were below their year-earlier levels reflecting improved supplies from the ongoing 2017 winter/spring harvest and a slow pace of exports. Among importing countries, prices were stable and close to their year-earlier levels in **China (Mainland)**, as a result of ample inventories, and in **the Philippines** and **Indonesia** due to adequate market supplies from the recently-completed harvests. In **Sri Lanka**, after some decreases registered during the harvest time of the 2017 main "maha" season from February to March, rice prices strengthened in April and May. The recent increases were on account of the sharp reduction of the 2017 main "maha" output and unfavourable prospects for the 2017 secondary crop, to be harvested in August-September. In **Bangladesh**, rice prices increased sharply in recent months, reaching record levels as a result of the flood-affected production of the 2017 main "boro" crop and reduced reserves.

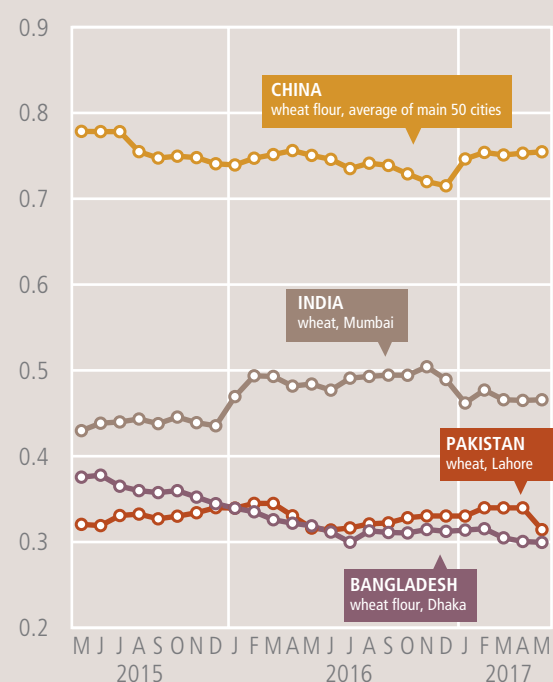
As for wheat and wheat flour, prices generally decreased in markets of the subregion's main producers following

Rice retail prices in selected Far East countries (USD/kg)



Source: National Statistical Service of Republic of Armenia; National Statistical Committee of the Kyrgyz Republic; State Committee on Statistics, Republic of Tajikistan; State Statistical Committee of the Republic of Azerbaijan; National Statistics Office of Georgia.

Wheat and wheat flour retail prices in selected Far East countries (USD/kg)



Sources: Pakistan Bureau of Statistics; Ministry of Consumer Affairs, India; Management Information System and Monitoring, Bangladesh; National Bureau of Statistics of China.

the ongoing or recently-concluded 2017 harvests, while they remained generally stable in importing countries. Price declines were recorded in most markets in **India**, with improved supplies from the 2017 harvest, officially estimated at a record level. Similarly, in **Pakistan**, improved supplies from the 2017 "rabi" harvest weighed on wheat prices in recent months. In **Bangladesh**, wheat flour prices remained stable and were below their year-earlier levels as a result of improved availabilities from the 2017 wheat harvest, estimated an above-average, and increased imports in recent months. The continuing distribution of wheat flour by the Government through the Open Market Sales programme also contributed to keeping prices at low levels. Prices were generally stable in the importing countries of **China (Mainland)**, **Indonesia** and **Sri Lanka**, reflecting adequate market availabilities.

Near East



Slightly above-average 2017 winter output expected in major producing countries

Harvesting of the 2017 winter cereal crops began in May and is expected to be completed in July in the most of the subregion. Early estimates indicate an aggregate subregional wheat production of about 43.9 million tonnes, matching last year's output. Total cereal production in 2017 is forecast at a slightly above-average level of 69.4 million tonnes.

In **Turkey**, the largest producer in the subregion, preliminary estimates indicate an average cereal output, constrained by autumn drought and sporadic spring rains in the Anatolian Plateau. The forecast includes 21 million tonnes of wheat and 13.7 million tonnes of coarse grains. In the **Iran (Islamic Republic of)**, the second biggest wheat producer in the subregion, above-average temperatures at the end of April accelerated crop development. The 2017 production in the Islamic Republic of Iran of 13.5 million tonnes is likely to be on par with 2016's level and exceed the five-year average by 25 percent. In **Afghanistan**, where dry weather delayed plantings in parts and prompted some

farmers to postpone wheat plantings until the spring season, a slightly below-average wheat harvest of 4.6 million tonnes is forecast in 2017. In the **Syrian Arab Republic**, the ongoing conflict, lack of inputs, damage to agricultural machinery, irrigation systems and storage facilities, together with disruptions to electricity supplies, has continued to erode the country's agricultural productive capacity. Moreover, precipitation was uneven during the growing season and, therefore, a below pre-conflict average crop is forecast. A Crop and Food Security Assessment Mission was fielded jointly by FAO and WFP in May 2017 to assess, among other aspects, the level of domestic cereal agricultural production and overall food availability. The results of the Mission should be available by July 2017.

Wheat imports in the 2016/17 (July/June) marketing year are estimated at 26.3 million tonnes, about the same as the previous year and 1 million tonnes above the five-year average. In the forthcoming 2017/18 marketing year, the wheat import requirement is likely to increase slightly as the countries are expected to rebuild stocks.

Yemen still at high risk of localized famine; civil unrest affects the food security of large numbers of people across the subregion

The food security situation remains extremely worrisome in **Yemen** where, according to the latest Integrated Food Security Phase Classification analysis, 17 million people are estimated to be in IPC Phase 3: "Crisis" and IPC Phase 4: "Emergency" and require urgent

humanitarian assistance from March to July 2017. The caseload corresponds to 60 percent of the total Yemeni population and represents a 20 percent increase compared to the IPC analysis conducted in June 2016. The most affected governorates are Al Hodeidah and Taiz where almost 2.2 million people are in "Crisis" and over 1.9 million in "Emergency" phases. Here, the Global Acute Malnutrition (GAM) prevalence is estimated to be above the WHO critical threshold of 15 percent. Similar levels of GAM prevalence are also reported in Abyan and Hadramout governorates.

In **Iraq**, as of November 2016, about 3 million people were internally displaced. The changing conflict dynamics are mirrored into a volatile food security situation across the country with 2.4 million people estimated to be food insecure, of which 1.5 million are severely food insecure. In the **Syrian Arab Republic**, as of November 2016, about 7 million people were estimated to be food insecure and a further 2 million are at risk of food insecurity. In **Afghanistan**, almost 1.6 million people are considered to be severely food insecure and 9.7 million people moderately food insecure. Over 630 000 individuals were displaced by the conflict in 2016 and a large share of the displaced are located in hard-to-access areas. In addition, documented and undocumented Afghans have been returning for a variety of reasons, including from the deteriorating protection space in Pakistan. Since 1 January 2016, over 728 000 undocumented Afghans have returned to the country putting an added strain on already stretched resources.

Table 13. Near East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
Near East	45.0	43.7	43.9	23.2	21.2	21.2	4.0	4.2	4.3	72.2	69.1	69.4	0.6
Afghanistan	4.7	4.6	4.6	0.7	0.7	0.7	0.6	0.5	0.5	6.0	5.8	5.8	0.2
Iran (Islamic Republic of)	11.5	13.5	13.5	4.4	3.9	4.0	2.3	2.5	2.6	18.3	19.9	20.1	0.9
Iraq	3.2	3.0	2.8	1.1	1.0	1.0	0.1	0.2	0.3	4.4	4.2	4.1	-2.2
Syrian Arab Republic	2.4	1.5	1.5	1.1	1.0	1.0	0.0	0.0	0.0	3.6	2.6	2.5	-1.8
Turkey	22.6	20.6	21.0	15.1	13.8	13.7	0.9	0.9	1.0	38.6	35.3	35.6	0.9

Note: Totals and percentage change computed from unrounded data.

CIS IN ASIA



Cereal production in the subregion forecast close to the five-year average

Sowing of 2017 spring cereal crops is virtually complete under generally favourable conditions, while winter crops are reaching maturation. The 2017 aggregate cereal production (spring and winter crops) is forecast at 33.5 million tonnes, down 9 percent from last year's record, but still above average. Production of wheat, the main crop of the subregion, is forecast at 25.6 million tonnes, down 6 percent on a yearly basis. The decline is mainly due to an expected reduced output in **Kazakhstan**, where wheat production is forecast at 13.5 million tonnes, almost 10 percent down from the bumper output of last year, but still above average. This year-on-year decrease is mainly associated

with a return to average yields after the high levels in the previous year.

In the Caucasian countries, the aggregate cereal output is expected to decline compared to 2016's level. In **Armenia**, the early forecast for cereal production points to 3 percent decline in 2017 compared to the good output of last year, as dry weather negatively affected some areas. In **Azerbaijan**, cereal production is forecast below 2016's output but close to the previous five-year average. In **Georgia**, early forecasts for the 2017 cereal harvest point to a 16 percent fall from the exceptionally high level of the previous year, but production is still expected to remain above average. The decrease mainly stems from a smaller wheat production, which is forecast to be 40 percent below the record of 2016, when favourable weather helped to achieve high yields. Similarly, in **Turkmenistan**, the forecast for the 2017 crop is set below the bumper production of 2016, mainly reflecting a return to average yields.

In **Kyrgyzstan**, total cereal production is forecast to decline by 6 percent and is forecast at 1.7 million tonnes in 2017. The decrease is mainly attributed to the reduction in the planted area of wheat. In **Uzbekistan**, aggregate cereal production is expected to be close to the previous year's level. By

contrast, in **Tajikistan**, aggregate cereal production in 2017 (including the forecast for spring coarse grains to be harvested from August), is preliminarily forecast at 1.2 million tonnes, about 7 percent above the below-average level of the previous year. This mostly reflects an expected 16 percent increase in the 2017 wheat output compared to the lower-than-average production obtained in 2016, on account of favourable weather conditions.

Cereal exports forecast below the 2017/18 level, while imports are set to increase slightly from the previous year

Total cereal shipments from **Kazakhstan**, the main exporter of the subregion, are forecast at 7.8 million tonnes in the 2017/18 marketing year (July/June), 8 percent below the high level of the previous year. Wheat shipment are expected at 7 million tonnes, down 500 000 tonnes from 2016/17, reflecting the expected decline in production.

The remaining countries of the subregion depend on cereal imports, mostly from Kazakhstan and the Russian Federation. Total subregional imports in 2017/18 are forecast at 8 million tonnes, up 4 percent from last year, mainly on account of an expected increase in import demand from Kyrgyzstan and Tajikistan.

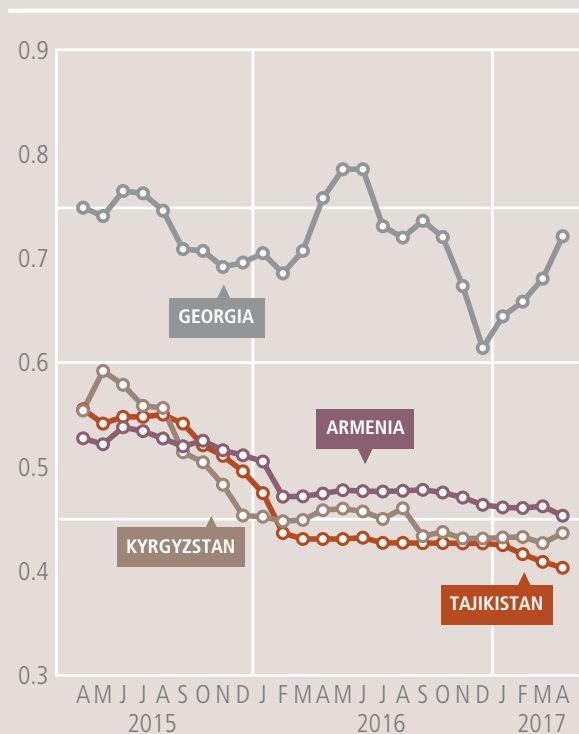
Table 14. CIS in Asia cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals ¹			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
CIS in Asia	26.2	27.2	25.6	7.9	8.6	7.0	34.9	36.8	33.5	-8.9
Armenia	0.4	0.4	0.3	0.2	0.2	0.2	0.6	0.6	0.6	-3.1
Azerbaijan	2.0	1.9	1.8	1.3	1.2	1.1	3.3	3.1	2.9	-7.9
Georgia	0.1	0.2	0.1	0.3	0.3	0.3	0.4	0.5	0.4	-15.5
Kazakhstan	13.7	15.0	13.5	3.8	4.5	3.6	17.9	20.0	17.6	-11.9
Kyrgyzstan	0.7	0.7	0.6	1.0	1.1	1.0	1.8	1.8	1.7	-5.9
Tajikistan	0.9	0.8	0.9	0.2	0.3	0.2	1.1	1.1	1.2	7.3
Turkmenistan	1.4	1.6	1.4	0.1	0.1	0.1	1.6	1.8	1.6	-13.0
Uzbekistan	7.0	6.7	7.0	0.9	0.9	0.4	8.1	7.9	7.6	-3.8

Note: Totals and percentage change computed from unrounded data.

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

Retail wheat flour prices in selected CIS in Asia countries (national averages) (USD/kg)



Source: National Statistical Service of Republic of Armenia; National Statistical Committee of the Kyrgyz Republic; State Committee on Statistics, Republic of Tajikistan; State Statistical Committee of the Republic of Azerbaijan; National Statistics Office of Georgia.

Export and domestic prices of wheat flour remained stable

In **Kazakhstan**, export prices of milling wheat have remained stable since the start of 2017 and in May were 5 percent below their year-earlier levels reflecting low import demand and international price trends.

In the import-dependent countries of the subregion, prices of wheat flour were close to, or below, their year-earlier levels in most of the countries. In **Kyrgyzstan**, the average price of wheat flour was relatively stable over the last six months and in May was 6 percent below its year-earlier level reflecting good domestic supplies (local production plus imports) and stable export prices from Kazakhstan (the country's

main source of wheat imports). Similarly, in **Tajikistan**, prices of wheat flour remained stable in most of 2017 and in May were around 5 percent below their year-earlier levels reflecting adequate national wheat supplies. In **Uzbekistan**, where the Government continues to regulate prices of the main food products, wheat flour prices in April were around their values of a year earlier. Prices of wheat flour declined in April in **Armenia** and on an annual basis were virtually unchanged, mainly reflecting relatively low export prices and a stable national currency. In **Georgia**, wheat flour prices rose in April and May to levels above those of a year earlier.

By contrast, in **Belarus**, wheat flour and food prices in general were higher in May than a year earlier, sustained by a weakening national currency. In **Azerbaijan**, prices of wheat flour continued their increasing trend in April supported by the persisting weak currency, despite a moderate appreciation in the past few months, and an increase in utility tariffs at the start of the year.

REGIONAL REVIEWS

LATIN AMERICA AND THE CARIBBEAN

CENTRAL AMERICA AND THE CARIBBEAN

Mexico

Coarse grains (summer): Planting

Paddy (summer): Planting

Central America

Maize (main season): Planting

SOUTH AMERICA

Brazil

Maize (main season): Harvesting

Centresouthern states

Wheat (winter): Planting

Uruguay

Barley: Planting

Wheat (winter): Planting

Argentina

Wheat (winter): Planting

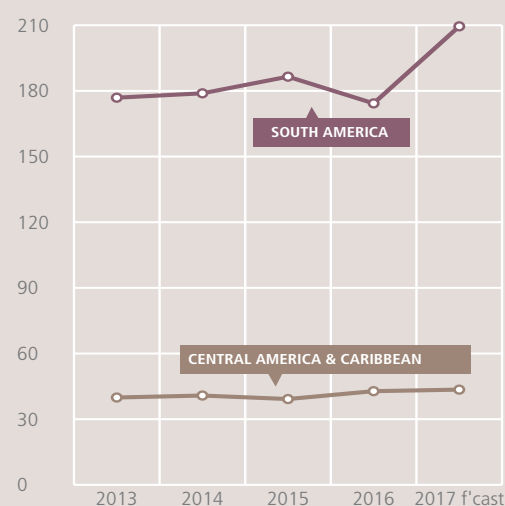
Note: Situation as of June
 ■ Subregional borders

Latin America and the Caribbean Production Overview

Aggregate cereal production in Latin America and the Caribbean in 2017 is forecast by FAO at about 262 million tonnes, 16 percent up from the previous year. Much of this growth relates to record maize outputs forecast in the South American countries of Argentina and Brazil, resulting from a price and weather-induced expansion in the area sown. These yearly increases are foreseen to more than outweigh declines in the remaining countries of the subregion.

In Central America and the Caribbean, early prospects indicate a second consecutive annual bumper cereal output in Mexico. Elsewhere in the subregion, with planting of the first season crop underway, cereal production, mostly maize, is expected to increase compared to 2016's output. However, some uncertainty regarding the production outlook exists due to the possibility of an El Niño event developing during the second half of 2017, which is normally associated with drier weather conditions.

Cereal production
(million tonnes)



Central America and the Caribbean



The 2017 wheat crop anticipated at a high level

In **Mexico**, virtually the only wheat producer in the subregion, the harvest of the 2017 autumn/winter crop is underway and planting of the 2017 spring/summer crop is well advanced. Reduced plantings of the autumn/winter crop are anticipated to be offset by higher yields and an enlarged planted area for the spring/summer crop. As a result, early prospects indicate an above-average 2017 wheat output of nearly 4 million tonnes, similar to the previous year's level.

Maize production in 2017 anticipated at a bumper level

FAO's first forecast for the subregion's aggregate 2017 maize production stands at 31.4 million tonnes, a new record level. The anticipated high output mainly reflects an expected bumper production in **Mexico**, which accounts for approximately 90 percent of the subregion's maize output, and in 2017 has been initially forecast at 28 million tonnes, 1.5 percent up on last year's high level. Elsewhere in the subregion, planting of the main 2017 first season maize crop, to be harvested

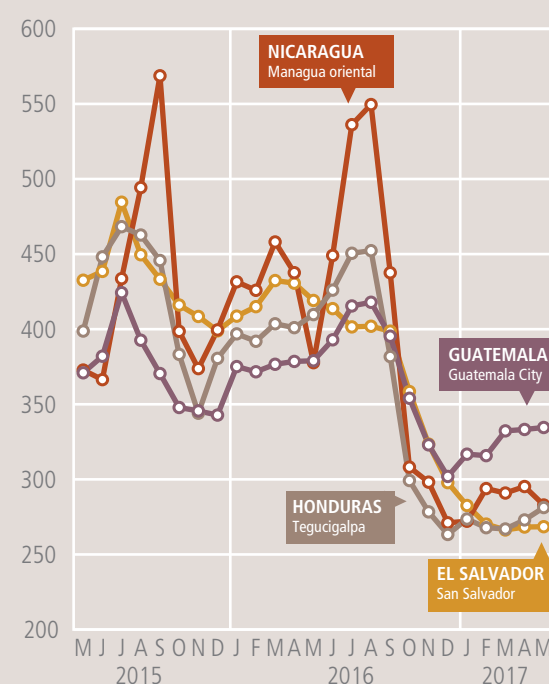
from late August, is well advanced and early prospects are generally favourable. However, some degree of uncertainty exists for the rest of the year as there is a moderate probability that an El Niño event may develop in late summer, mainly affecting the secondary season maize crop, which is sown from late August in most cropping areas of the subregion. FAO's preliminary subregional (excluding Mexico) maize production forecast for 2017, which assumes normal weather during the year, points to an increase in production of 4 percent over last year to 3.4 million tonnes, well above the previous five-year average.

White maize prices increased with the progression of the lean season during the March-May period in most of the subregion

White maize prices in **Mexico** in May were well above their year-earlier levels, supported by higher fuel prices and increased production cost. During the preceding months (March-May), prices were generally stable, with the exception of Mexico City, where their increasing trend continued from previous months. In **El Salvador**, **Guatemala**, **Honduras** and **Nicaragua**, white maize prices in May were significantly below their year-earlier levels reflecting ample supplies from the good 2016 harvests and adequate import levels. However, during the March-May period, prices in **Guatemala** and

Honduras began to increase moderately as the lean season progressed. In **Haiti**, maize meal prices were generally stable in most markets during the March-May period, with the exception of southern markets that were affected by Hurricane Matthew. On an annual basis, reflecting last year's lower than-previously-anticipated output, maize meal prices were significantly higher. In **the Dominican Republic**, increased export demand from Haiti continued to support maize price gains during the March-May period.

Wholesale white maize prices in selected countries in Central America
(USD/kg)



Sources: Secretaría de Agricultura y Ganadería, Honduras; Ministerio de Agricultura, Ganadería y Alimentación, Guatemala; Ministerio agropecuario y forestal, Nicaragua; Dirección General de Economía Agropecuaria, El Salvador.

Table 15. Latin America and Caribbean cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
Central America & Caribbean	3.7	3.9	3.9	33.9	37.2	37.7	2.6	2.8	2.9	40.2	43.8	44.5	1.5
El Salvador	0.0	0.0	0.0	0.8	1.0	1.0	0.0	0.0	0.0	0.9	1.1	1.1	0.0
Guatemala	0.0	0.0	0.0	0.9	0.9	1.0	0.0	0.0	0.0	1.0	1.0	1.0	2.8
Honduras	0.0	0.0	0.0	0.2	0.3	0.3	0.0	0.1	0.1	0.3	0.4	0.4	7.5
Mexico	3.7	3.9	3.9	30.8	33.5	33.9	0.2	0.3	0.3	34.7	37.6	38.1	1.1
Nicaragua	0.0	0.0	0.0	0.4	0.5	0.5	0.3	0.3	0.3	0.7	0.9	0.9	2.1
South America	21.1	29.2	28.3	147.9	129.0	164.3	25.7	23.7	24.9	194.7	181.9	217.5	19.6
Argentina	11.3	18.4	18.9	42.5	47.0	52.7	1.6	1.4	1.3	55.3	66.8	72.9	9.1
Brazil	5.5	6.7	5.5	88.2	65.8	96.4	12.4	10.6	12.0	106.1	83.1	113.9	37.0

Note: Totals and percentage change computed from unrounded data.

South America



Subregional 2017 maize output estimated at a record level reflecting anticipated bumper harvest in Argentina and Brazil

Harvesting of the 2017 main maize crop is well underway in **Argentina** and **Brazil**, which together account for about 90 percent of the subregional output. Early estimates point to maize productions of 46.5 million and 93.5 million tonnes in Argentina and Brazil, respectively, record highs for both countries. This year's bumper outputs mostly reflect record sowings, instigated by high domestic prices and good weather during the season. Elsewhere in the subregion, the 2017 maize output is anticipated to decline some 7 percent from last year's good level to 13.1 million tonnes. The decrease mainly reflects an anticipated fall in **Chile's** output, where plantings contracted by some 7 percent from last year's low levels, mainly reflecting a second year of low prices that were pressured downwards by ample maize availabilities in the subregion, particularly in **Argentina** and **Brazil**. Average to slightly above-average maize outputs are anticipated in **Colombia**, **Ecuador**, **Bolivia (Plurinational State of)** and **Peru**. However, some uncertainty exists about the forecasts for Bolivia (Plurinational State of), Ecuador and Peru as pest infestations and flooding, particularly in the latter two countries, may reduce yields of the 2017 crops.

Planting of the 2017 wheat crop, to be harvested from November, has begun in

Argentina and **Brazil**, which account for almost 90 percent of subregional wheat output. No official information is yet available about the area planted, but early expectations point to a slight decline in **Brazil**, mainly reflecting lower prices as a result of the good 2016 outputs and high availabilities. In **Argentina**, initial expectations indicate a wheat output close to last year's high level reflecting continued strong demand from subregional importers.

Cereal exports anticipated to reach near-record levels during the 2017/18 marketing year

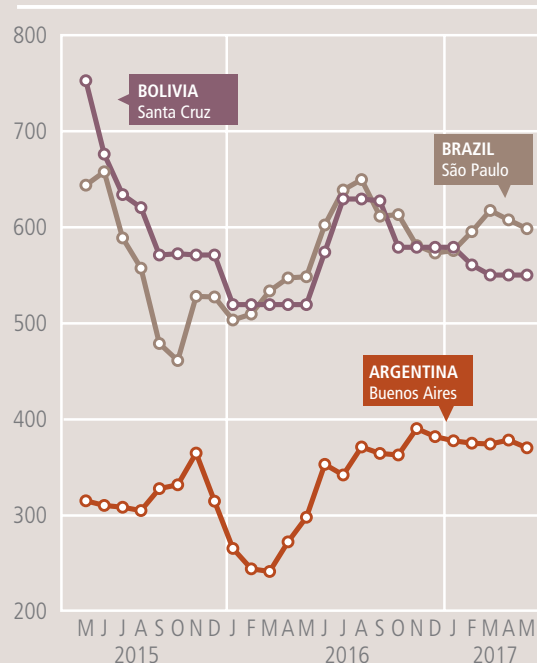
FAO's initial forecast for cereal exports in the 2017/18 marketing year (March/February) points to near-record level shipments of about 74.3 million tonnes. The high level of exports mainly reflects the anticipated record maize deliveries from **Argentina** and **Brazil** as a result of the bumper crops in these two countries and their weak local currencies, which have increased their competitiveness in the international market. Large quantities of wheat exports from **Argentina** are also expected to contribute to the high cereal export volume this year.

Maize prices declined and wheat prices remained stable during the March-to-May period

Prices of maize weakened considerably during the March-to-May period in the subregion and in May were significantly below their levels from a year earlier in most countries of the subregion. The decline in maize prices follows the commercialization of recently-harvested crops and it particularly reflects the anticipated bumper maize outputs in **Argentina** and **Brazil**. However, in **Bolivia (Plurinational State of)**, **Chile** and **Ecuador** during May, yellow maize prices in the main markets were moderately higher than at the same time last year as a result of tight local supplies.

Wheat and wheat flour prices were generally stable in most countries of the subregion during the March-to-May period, but were at varying levels compared to their year-earlier values. In **Argentina**, the weak currency and high export demand, which has amplified normal seasonal trends, kept prices of wheat and wheat flour above their year earlier levels as of May. In **Brazil**, by contrast, prices were lower on an annual basis in May 2017, reflecting ample supplies from the 2016 harvest as well as high import levels at the beginning of the year. In **Bolivia (Plurinational State of)**, prices of imported wheat in May were above their levels of a year earlier, reflecting the strong local demand and tight local supplies, as a result of reduced 2016 outputs. However, the flow of imports also kept prices unchanged during the March-to-May period. In **Ecuador**, **Chile**, **Colombia** and **Peru**, all major subregional importers, wheat and wheat flour prices during the March-May period were relatively unchanged, mainly reflecting adequate import volumes.

Wholesale wheat flour prices in selected countries in South America
(USD/tonne)



Sources: Servicio Informativo de Mercados Agropecuarios, Bolivia; Instituto de Economía Agrícola, Brazil; Bolsa de Cereales, Argentina.

REGIONAL REVIEWS

NORTH AMERICA, EUROPE AND OCEANIA

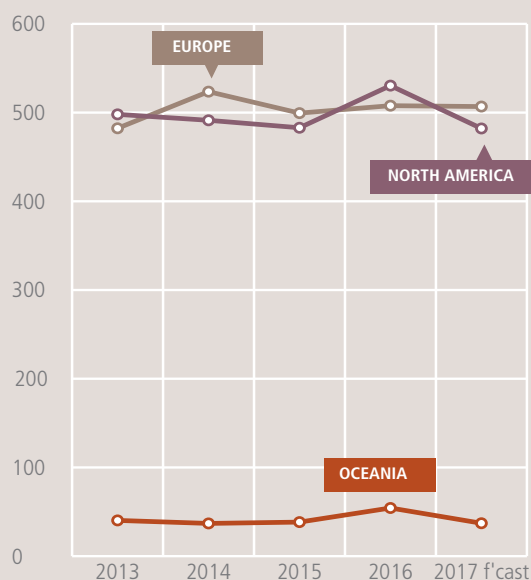


North America, Europe and Oceania Production Overview

In North America, cereal production in 2017 is expected to fall, mostly reflecting a cut to the United States of America's forecast, curtailed by lower plantings for coarse grains and wheat. Production in Canada is also foreseen to contract, largely due to a forecast drop in wheat production.

In Europe, an expansion in the area sown to wheat and maize is expected to instigate an annual production gain in the European Union, while in CIS countries production is foreseen to remain above average although lower than the exceptionally high levels of 2016, as yields revert to average levels.

Similarly, in Oceania, the cereal output in Australia is anticipated to drop mostly stemming from a lower forecast for wheat production compared to the record high of 2016.

Cereal production
(million tonnes)

North America



Aggregate cereal production in North America is anticipated to fall from the bumper level of 2016

In the **United States of America**, wheat production in 2017 is forecast at 49.5 million tonnes, about 18.5 percent below the previous year's bumper level. The decline mainly reflects a sharp reduction in plantings of the winter wheat crop and an expected decline in yields to near-average levels. Similarly, early prospects for the minor spring and durum wheat harvests point to lower outputs, due to reduced plantings and an expected return to average yields. Regarding maize, the area planted is estimated to contract from last year's level, partially as a result of farmers shifting to soybean production on expectations of better returns. Assuming a return to normal yields from 2016's record highs, maize production is forecast at 357.3 million tonnes, a year-on-year reduction of 7 percent, but still above average. In **Canada**, wheat production is also anticipated to decrease mostly reflecting a return to normal yields from the highs of 2016. The area planted is

forecast to increase marginally as the decline in plantings of durum wheat crops will be more than offset by an increase in plantings of spring wheat crops. The 2017 wheat output is provisionally forecast at 29.5 million tonnes, 7 percent down from the previous year's above-average level. A recent upward revision, resting on larger than previously anticipated sown area, reversed earlier subdued prospects for the maize output and production is now expected at a record high of 14.5 million tonnes, 10 percent up on a yearly basis.

in the average yield level is still forecast, leading to this year's expected increased output. Planting of the 2017 maize crop started promptly and the sown area is expected to expand compared to the previous year. With yields also projected to rise, early indications point to a near 7 percent increase in production in 2017 to 65 million tonnes.

CIS IN EUROPE

Cereal output in 2017 is expected below the previous year but remains above average

FAO's preliminary forecast for the 2017 aggregate cereal output stands at

184 million tonnes, a 6 percent decline from previous year but still well above average. Of this total, the subregional wheat production is expected at 98 million tonnes, down 6 percent from the exceptionally high level of 2016.

The decline in the subregional cereal output mainly reflects reduced projections for wheat production in the **Russian Federation**, which is forecast at 69 million tonnes. This decrease primarily rests on an expected return to average yields, after the high levels achieved in 2016, coupled with a reduction in the area planted for the spring crop. As a result, the Russian Federation's aggregate cereal production is forecast at about 111 million tonnes in 2017,

EUROPE



EUROPEAN UNION

Favourable 2017 wheat prospects

In the **European Union**, the 2017 wheat production is forecast at 152 million tonnes, 7.5 million tonnes (5 percent) higher on an annual basis. Although dryness in recent months has dampened yield expectations in some western areas, a year-on-year increase

Table 16. North America, Europe and Oceania cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	2015	2016 estim.	2017 f'cast	Change: 2017/2016 (%)
North America	83.7	94.6	79.0	393.1	428.7	396.7	8.8	10.2	9.1	485.5	533.5	484.9	-9.1
Canada	27.6	31.7	29.5	25.7	25.8	26.0	0.0	0.0	0.0	53.3	57.6	55.5	-3.6
United States	56.1	62.9	49.5	367.3	402.9	370.7	8.8	10.2	9.1	432.2	475.9	429.4	-9.8
Europe	256.8	252.1	253.9	240.0	253.1	250.4	4.2	4.2	4.1	501.0	509.4	508.4	-0.2
Belarus	2.9	2.9	2.8	5.7	6.7	5.8	0.0	0.0	0.0	8.6	9.6	8.5	-11.7
European Union	160.5	144.5	152.0	151.6	153.2	157.2	3.0	3.0	2.9	315.1	300.7	312.1	3.8
Russian Federation	61.8	73.3	69.0	39.5	43.4	41.2	1.1	1.1	1.1	102.4	117.8	111.3	-5.5
Serbia	2.4	2.4	2.5	5.9	5.9	5.7	0.0	0.0	0.0	8.3	8.3	8.2	-1.4
Ukraine	26.5	26.1	25.0	33.4	39.4	36.2	0.1	0.1	0.1	60.0	65.6	61.3	-6.4
Oceania	24.5	35.4	24.3	13.4	18.6	12.2	0.7	0.3	0.9	38.6	54.3	37.4	-31.2
Australia	24.2	35.1	24.0	12.9	18.1	11.6	0.7	0.3	0.9	37.7	53.5	36.5	-31.7

Note: Totals and percentage change computed from unrounded data.

6 percent below the record of last year. Similarly, the 2017 cereal output in **Ukraine** is expected to decrease by 8 percent on a yearly basis to 61 million tonnes, which is still above the five-year average. The decline mainly reflects unfavourable prospects for maize production, which is foreseen to decrease to 26.7 million tonnes, down 1.4 million tonnes from the high level of last year, resting on expectations of lower yields. The wheat output is estimated at 25 million tonnes, just 4 percent below the previous year.

In **Belarus**, spring planting operations started in March, slightly in advance of the normal seasonal calendar, but were hampered by wetter-than-normal weather conditions. Assuming average yields, FAO's early forecast for 2017 aggregate cereal production stands at 8.5 million tonnes, a 12 percent decline from the above-average production of last year.

In **the Republic of Moldova**, the 2017 cereal production is foreseen to decrease by 14 percent from the bumper level of the previous year to 2.4 million tonnes.

Wheat export prices in Russian Federation and Ukraine
(USD/tonne)



Source: International Grains Council.

Most of the decline would reflect a lower wheat output, which is expected at 962 000 tonnes in 2017, assuming a return to average yields after the record highs of last year.

Total cereal exports in 2017/18 are forecast to be close to the record of the previous year

Aggregate subregional cereal exports in the 2017/18 marketing year (July/June) are forecast at 75.5 million tonnes, 2 percent down from the record volume of 2016/17. This decline reflects a projected decrease in exports from Ukraine which are expected to more than outweigh a rise in shipments from the Russian Federation. In **Ukraine**, total cereal exports are forecast at 36 million tonnes, 10 percent down from the record of last year, owing to tighter domestic supplies. By contrast, exports from **the Russian Federation** are set to increase by 8 percent to 38.5 million tonnes, of which wheat and wheat flour would account for 28.7 million tonnes, up nearly 5 percent from the already high level of 2016/17. The subregion's 2017/18 maize shipments are forecast to decline by 6 percent to 22.3 million tonnes, mainly on account of smaller exports from Ukraine, reflecting the decline in domestic maize production.

Export prices of wheat pressured by a slowdown in demand and stronger national currencies

In all exporting countries of the subregion, export prices of milling wheat and wheat flour remained stable or weakened moderately during the past three months. In **Ukraine**, export prices of wheat declined since March mainly as a result of reduced international demand and a stronger currency. However, by contrast, domestic wheat prices increased in March and April before stabilizing in May reflecting harvest pressure. In **the Russian Federation**, both export and domestic prices declined on account of large domestic supplies and a stronger

national currency. Reduced sales to Turkey, a principal buyer of Russian wheat, following the country's decision to restrict imports, also pressured prices downward. In **Belarus** and **the Republic of Moldova**, despite good domestic wheat harvests, prices of wheat flour have been rising over the past year, underpinned by weak national currencies and increasing flour production costs.

Oceania



Wheat production in 2017 is forecast to decline 31 percent from the record of the previous year, but remains close to the five-year average

In **Australia**, the 2017 wheat crop will be harvested from August and the current outlook points to a steep decrease from the bumper level achieved in 2016. Planting operations started in May and will continue until July. Despite some dry spells, particularly in western parts of Australia, soil moisture conditions are reported to be generally adequate. Precipitation levels in the coming weeks will be critical for a good result in terms of the area sown and establishment of crops. With wheat prices remaining relatively low, early indications suggest that the area sown with wheat in 2017 may decline by 2 percent. Considering the reduction in area planted and assuming average yields, wheat production in 2017 is tentatively forecast at 24 million tonnes, 31 percent down from the previous year's record. There are some concerns for the remaining part of the rainy season as there is some evidence to support a developing of El Niño event, which is usually associated with below average precipitations in the second half of the year across large parts of Australia. Should an El Niño episode develop later this season, this could negatively affect wheat yields.

STATISTICAL APPENDIX

Table A1. Global cereal supply and demand indicators

	Average 2010/11 - 2014/15	2013/14	2014/15	2015/16	2016/17	2017/18
Ratio of world stocks to utilization (%)						
Wheat	27.4	26.0	28.7	30.6	34.0	34.2
Coarse grains	18.1	18.2	20.9	20.0	21.0	19.7
Rice	32.5	35.1	35.3	34.3	33.8	33.2
Total cereals	23.7	23.8	26.0	25.8	27.2	26.3
Ratio of major grain exporters' supplies to market requirements (%) ¹	117.7	121.7	123.4	122.7	121.9	118.7
Ratio of major exporters' stocks to their total disappearance (%) ²						
Wheat	17.1	14.9	16.7	16.7	20.1	18.5
Coarse grains	10.9	10.5	13.4	11.6	13.7	14.3
Rice	25.5	29.0	24.3	19.2	18.6	16.9
Total cereals	17.8	18.1	18.1	15.8	17.5	16.6
	Annual trend growth rate 2007-2016	2013	Change from previous year			
			2014	2015	2016	2017
Changes in world cereal production (%)	2.3	9.9	1.8	-1.2	2.9	-0.5
Changes in cereal production in the LIFDCs (%)	3.2	1.2	3.4	-5.0	5.1	1.3
Changes in cereal production in the LIFDCs less India (%)	3.3	-0.5	7.0	-4.3	3.4	19.7
	Average 2010-2014	2013	Change from previous year (%)			
			2014	2015	2016	2017*
Selected cereal price indices³						
Wheat	191.2	-4.9	-6.6	-20.5	-13.0	-0.4
Maize	232.8	-12.9	-25.8	-11.8	-6.4	-2.3
Rice	233.9	0.8	0.8	-10.5	-8.1	-0.3

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 (Barley, Maize, Millet, Sorghum and Cereals NES).

¹ Major wheat exporters are: Argentina, Australia, Canada, the European Union, Kazakhstan, the Russian Federation, Ukraine and the United States of America; major coarse grain exporters are Argentina, Australia, Brazil, Canada, the European Union, the Russian Federation, Ukraine and the United States of America; major rice exporters are India, Pakistan, Thailand, the United States of America and Viet Nam.

² Disappearance is defined as domestic utilization plus exports for any given season.

³ 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-May average.

Table A2. World cereal stocks¹*(million tonnes)*

	2013	2014	2015	2016	2017 estimate	2018 forecast
TOTAL CEREALS	531.9	594.9	652.2	663.2	701.7	702.5
Wheat	173.8	185.8	204.1	223.8	247.5	257.4
held by:						
- main exporters ²	49.0	54.5	63.2	65.0	80.5	73.6
- others	124.8	131.3	140.9	158.8	167.0	183.8
Coarse grains	196.8	236.5	273.3	268.1	283.3	274.5
held by:						
- main exporters ²	55.1	81.0	104.4	92.1	109.7	114.9
- others	141.7	155.5	168.9	176.0	173.6	159.6
Rice (milled basis)	161.2	172.6	174.9	171.3	170.9	170.5
held by:						
- main exporters ²	46.6	49.6	43.5	33.9	32.7	30.2
- others	114.6	123.0	131.4	137.4	138.2	140.3
Developed countries	119.2	141.8	168.9	169.2	205.2	197.2
Australia	6.6	5.9	6.4	6.6	12.3	8.8
Canada	8.2	15.1	10.4	9.9	12.5	12.7
European Union	24.4	32.6	39.9	36.4	32.7	35.4
Japan	6.2	5.6	5.2	5.0	4.9	4.9
Russian Federation	6.7	6.8	8.5	6.9	15.2	15.8
South Africa	2.5	1.7	3.4	3.7	2.2	3.9
Ukraine	5.8	8.6	9.9	6.4	7.8	9.4
United States	44.2	51.4	69.0	76.1	95.4	82.6
Developing countries	412.6	453.0	483.3	494.0	496.5	505.3
Asia	355.4	380.6	395.7	408.7	410.9	410.0
China	218.7	241.3	254.1	281.4	296.5	296.6
India	52.2	49.9	48.5	40.3	35.0	36.2
Indonesia	11.2	10.9	9.9	9.6	8.6	9.7
Iran (Islamic Republic of)	3.6	3.4	6.5	6.3	5.4	5.3
Korea, Republic of	3.3	3.7	3.9	4.3	4.6	4.9
Pakistan	4.2	4.8	6.2	5.2	4.8	3.8
Philippines	3.1	3.1	3.9	3.6	4.0	4.2
Syrian Arab Republic	2.6	2.2	1.4	1.5	0.8	0.7
Turkey	4.6	5.7	5.1	5.0	3.2	3.5
Africa	32.9	35.2	40.5	42.7	38.4	39.0
Algeria	2.2	3.9	4.7	5.4	5.0	5.0
Egypt	5.3	6.3	6.3	6.5	6.1	5.0
Ethiopia	1.9	1.7	2.7	2.9	2.9	2.8
Morocco	3.4	5.5	5.2	8.9	6.1	7.9
Nigeria	1.8	1.6	1.8	1.3	1.2	1.2
Tunisia	1.2	1.0	1.2	1.0	0.9	1.3
Central America	6.5	7.5	8.3	9.9	12.6	12.8
Mexico	2.6	3.3	3.6	4.6	7.2	7.6
South America	17.4	29.3	38.3	32.2	34.2	43.1
Argentina	2.1	5.8	10.3	6.9	8.9	11.7
Brazil	6.1	12.0	15.2	9.9	7.7	14.0

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

¹ Stocks 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 Major wheat exporters are Argentina, Australia, Canada, the European Union, Kazakhstan, the Russian Federation, Ukraine and the United States of America; major coarse grain exporters are Argentina, Australia, Brazil, Canada, the European Union, the Russian Federation, Ukraine and the United States of America; major rice exporters are India, Pakistan, Thailand, the United States of America and Viet Nam.

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

	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
2009/10	209	185	224	160	168	165
2010/11	316	289	311	254	260	248
2011/12	300	256	264	281	269	264
2012/13	348	310	336	311	278	281
2013/14	318	265	335	217	219	218
2014/15	266	221	246	173	177	210
2015/16	211	194	208	166	170	174
Monthly						
2015 - May	231	199	228	166	168	217
2015 - June	242	211	226	170	173	224
2015 - July	238	208	229	179	176	223
2015 - August	216	190	227	163	160	180
2015 - September	218	195	223	166	161	177
2015 - October	221	208	223	172	164	182
2015 - November	211	201	210	166	167	173
2015 - December	212	191	193	164	166	170
2016 - January	213	192	194	161	161	165
2016 - February	205	189	194	160	167	165
2016 - March	207	189	192	159	163	161
2016 - April	201	193	199	164	170	162
2016 - May	193	189	202	169	187	153
2016 - June	198	186	210	181	197	170
2016 - July	188	168	210	161	179	147
2016 - August	188	157	215	150	177	140
2016 - September	188	158	201	148	170	141
2016 - October	193	164	184	152	174	146
2016 - November	191	167	176	152	178	143
2016 - December	187	162	168	154	181	154
2017 - January	201	173	177	159	183	155
2017 - February	210	180	186	163	179	157
2017 - March	198	176	191	159	163	150
2017 - April	191	173	189	157	164	150
2017 - May	200	175	189	158	161	158

Sources: International Grains Council and USDA.

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

Table A4a. Estimated cereal import requirements of Low-Income Food-Deficit Countries¹, 2016/17 or 2017*(thousand tonnes)*

		2015/16 or 2016		2016/17 or 2017	
	Marketing year	Commercial purchases	Food aid	Total imports (commercial and aid)	Total import requirements (excl. re-exports)
AFRICA		31 485.6	1 214.7	32 700.3	33 898.2
East Africa		10 047.6	853.2	10 900.8	10 941.6
Burundi	Jan/Dec	149.7	15.2	164.9	187.0
Comoros	Jan/Dec	56.0	0.0	56.0	46.0
Djibouti	Jan/Dec	240.0	6.0	246.0	131.0
Eritrea	Jan/Dec	437.3	0.0	437.3	448.2
Ethiopia	Jan/Dec	1 566.0	104.0	1 670.0	1 540.0
Kenya	Oct/Sep	2 542.6	80.0	2 622.6	3 307.4
Rwanda	Jan/Dec	113.4	2.6	116.0	134.0
Somalia	Aug/Jul	600.0	170.0	770.0	810.0
South Sudan	Nov/Oct	n.a.	n.a.	535.0	560.0
Sudan	Nov/Oct	2 395.0	440.0	2 835.0	2 267.0
Uganda	Jan/Dec	474.0	24.0	498.0	508.0
United Republic of Tanzania	Jun/May	938.6	11.4	950.0	1 003.0
Southern Africa		3 099.6	43.8	3 143.4	4 075.2
Lesotho	Apr/Mar	197.0	5.0	202.0	263.0
Madagascar	Apr/Mar	472.7	20.1	492.8	445.7
Malawi	Apr/Mar	255.0	3.8	258.8	811.0
Mozambique	Apr/Mar	1 237.0	1.3	1 238.3	1 276.0
Zimbabwe	Apr/Mar	937.9	13.6	951.5	1 279.5
West Africa		16 754.4	161.3	16 915.7	16 862.1
Coastal Countries		12 648.7	44.0	12 692.7	12 453.5
Benin	Jan/Dec	381.0	6.0	387.0	377.0
Côte d'Ivoire	Jan/Dec	1 915.2	4.8	1 920.0	1 930.5
Ghana	Jan/Dec	1 446.0	5.0	1 451.0	1 245.0
Guinea	Jan/Dec	907.0	5.5	912.5	757.5
Liberia	Jan/Dec	373.0	12.2	385.2	407.0
Nigeria	Jan/Dec	7 050.0	0.0	7 050.0	7 170.0
Sierra Leone	Jan/Dec	257.9	10.0	267.9	286.0
Togo	Jan/Dec	318.6	0.5	319.1	280.5
Sahelian Countries		4 105.7	117.3	4 223.0	4 408.6
Burkina Faso	Nov/Oct	613.0	10.0	623.0	638.0
Chad	Nov/Oct	101.0	40.7	141.7	159.6
Gambia	Nov/Oct	208.3	1.5	209.8	213.5
Guinea-Bissau	Nov/Oct	109.8	4.5	114.3	124.3
Mali	Nov/Oct	399.2	0.0	399.2	381.2
Mauritania	Nov/Oct	449.5	9.5	459.0	494.0
Niger	Nov/Oct	483.3	42.7	526.0	568.0
Senegal	Nov/Oct	1 741.6	8.4	1 750.0	1 830.0
Central Africa		1 584.0	156.4	1 740.4	2 019.3
Cameroon	Jan/Dec	877.0	10.0	887.0	1 055.0
Central African Republic	Jan/Dec	52.9	22.1	75.0	76.0
Democratic Republic of the Congo	Jan/Dec	640.0	120.3	760.3	870.0
Sao Tome and Principe	Jan/Dec	14.1	4.0	18.1	18.3

Source: FAO

¹ The Low-Income Food-Deficit Countries (LIFDCs) group includes net food deficit countries with annual per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 945 in 2011); for full details see <http://www.fao.org/countryprofiles/lifdc>

Table A4b. Estimated cereal import requirements of Low-Income Food-Deficit Countries¹ , 2016/17 or 2017*(thousand tonnes)*

		2015/16 or 2016		2016/17 or 2017	
	Marketing year	Commercial purchases	Food aid	Total imports (commercial and aid)	Total import requirements (excl. re-exports)
ASIA		21 591.3	802.3	22 393.6	26 550.3
Cis in Asia		4 509.2	1.0	4 510.2	4 241.2
Kyrgyzstan	Jul/Jun	514.2	1.0	515.2	572.2
Tajikistan	Jul/Jun	1 089.0	0.0	1 089.0	932.0
Uzbekistan	Jul/Jun	2 906.0	0.0	2 906.0	2 737.0
Far East		7 691.8	199.6	7 891.4	12 257.1
Bangladesh	Jul/Jun	5 243.6	86.0	5 329.6	5 915.5
Democratic People's Republic of Korea	Nov/Oct	581.9	112.1	694.0	510.0
India	Apr/Mar	724.2	0.0	724.2	4 756.0
Nepal	Jul/Jun	879.3	1.5	880.8	811.8
Pakistan	May/April	262.8	0.0	262.8	263.8
Near East		9 390.3	601.7	9 992.0	10 052.0
Afghanistan	Jul/Jun	2 682.0	100.0	2 782.0	2 912.0
Syrian Arab Republic	Jul/Jun	2 573.3	286.7	2 860.0	2 870.0
Yemen	Jan/Dec	4 135.0	215.0	4 350.0	4 270.0
CENTRAL AMERICA AND THE CARIBBEAN		1 220.2	36.1	1 256.3	1 230.1
Haiti	Jul/Jun	658.2	33.1	691.3	695.1
Nicaragua	Jul/Jun	562.0	3.0	565.0	535.0
OCEANIA		480.6	0.0	480.6	470.2
Papua New Guinea	Jan/Dec	420.2	0.0	420.2	420.2
Solomon Islands	Jan/Dec	60.4	0.0	60.4	50.0
TOTAL		54 777.7	2 053.1	56 830.8	62 148.8

Source: FAO

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This report is based on information available as of May 2017.

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