



GIEWS Country Brief The Kingdom of Bhutan

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FOOD SECURITY SNAPSHOT

- Below-average cereal output obtained in 2023
- Cereal import requirements projected to continue to increase in 2023/24 marketing year (July/June)
- Prices of wheat flour at high levels in December 2023

Below-average cereal output obtained in 2023

Harvesting of the 2023 main cereal crops, which account for 90 percent of the annual production and consist mostly of paddy and maize, finalized last October and the output is estimated at 70 000 tonnes, almost 30 percent below the five-year average. The low cereal output is similar to the 2022 harvest and reflects the gradual reduction in sowings of paddy and maize since 2017, following a shift into the use of land to more profitable vegetables and cash crops or infrastructure. However, yields of both crops are estimated at an above-average level, supported by conducive weather conditions throughout the cropping season. Localized crop losses occurred in some minor cereal producing areas in southwestern and northeastern parts of the country due to dry weather conditions as well as in Lhuntse District in the northwest due to flash floods and landslides in mid-July 2023.

Cereal import requirements projected to continue to increase in 2023/24

The country relies heavily on cereal imports, mostly from India, as local production covers only about two-thirds of the total national consumption. Cereal imports consist mostly of rice plus small quantities of maize and wheat. In the 2023/24 marketing year (July/June), total cereal import requirements are estimated at an above-average level of 160 000 tonnes, continuing the steadily increasing trend observed during the last six years, reflecting low domestic maize and rice production and increasing human consumption.

Prices of wheat flour at high levels in December 2023

Domestic prices of wheat flour increased sharply from September 2022 to August 2023, when they reached record levels due to tight market availability following import disruptions associated with the implementation by the Government of India in

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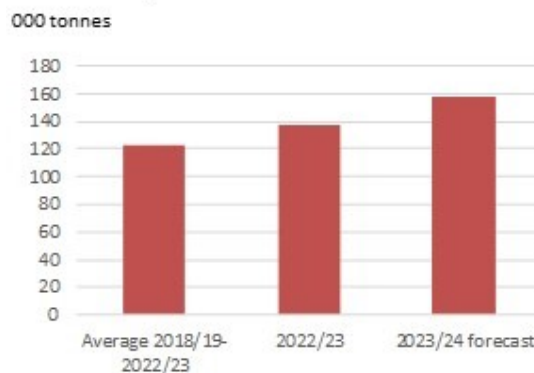
Cereal Production

	2018-2022 average	2022	2023 forecast	change 2023/2022
	000 tonnes			percent
Rice (paddy)	50	41	40	-2.6
Maize	40	26	26	0.1
Millet	2	1	1	0.0
Others	5	3	3	0.0
Total	96	71	70	-1.5

Note: Percentage change calculated from unrounded data.

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Cereals Imports



Notes: Includes rice in milled terms. Split years refer to individual crop marketing years (for rice, calendar year of second year shown).

May 2022 of a ban on wheat exports. High transport costs also contributed to price increases. Then, prices steadily declined between September and December 2023, reflecting the gradual improvement of market supply following the decision of the Government of India to approve exports of about 14 000 tonnes of wheat and 5 300 tonnes of wheat flour until April 2024, meeting the country's annual consumption needs. In December 2023, wheat flour prices remained 50 percent higher than the elevated levels a year earlier.

According to the National Bureau of Statistics, the annual food inflation rate was 6.2 percent in December 2023, well above the rate of 12 month before, mostly reflecting high domestic prices of cereals, dairy products and vegetables.

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This brief was prepared using the following data/tools:

FAO/GIEWS Country Cereal Balance Sheet (CCBS) <https://www.fao.org/giews/data-tools/en/>.

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool <https://fpma.fao.org/>.

FAO/GIEWS Earth Observation for Crop Monitoring <https://www.fao.org/giews/earthobservation/>.

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>.