



GIEWS Updates

VOLUME 2012

The **GIEWS Updates** are issued by FAO's **Global Information and Early Warning System (GIEWS)** from mid-2004. The updates focus on developing anomalous conditions aimed at providing early warnings, as well as latest and more elaborate information than other GIEWS regular reports on the food security situation of countries, at both national and sub-national levels.

Date	Title	Page
17-Apr-2012	Cereals production outlook for 2012 in CIS countries	2
14-May-2012	Southern Africa: A review of the 2011/12 cropping season	5
18-Jun-2012	Korea, DPR - Dry Spell Situation	8
02-Aug-2012	Syrian Arab Republic	12
02-Aug-2012	International prices of grains averaged 23 percent higher in July than June	14
20-Aug-2012	The Democratic People's Republic of Korea - Drought and Flood Update	15
20-Aug-2012	Reduced 2012 cereal production in the Republic of Moldova	19
28-Aug-2012	India - Monsoon Update	21

Cereals production outlook for 2012 in CIS countries

17 April 2012

CIS cereal production										
(million tonnes)										
	Wheat			Coarse grains			Total cereals ^{1/}			
	2010	2011	2012 fcast.	2010	2011	2012 fcast.	2010	2011	2012 fcast.	Change: 2011/2010 (%)
CIS Europe	60.8	81.4	73.7	47.5	75.2	75.2	109.5	157.9	150.2	-4.9
Belarus	1.7	2.0	2.2	4.9	5.8	6.3	6.6	7.8	8.5	8.8
Moldova Rep Of	0.8	0.8	0.7	1.7	1.7	1.7	2.4	2.6	2.4	-6.1
Russian Federation	41.5	56.2	56.8	19.9	34.2	34.3	62.4	91.6	92.3	0.7
Ukraine	16.9	22.3	14.0	21.0	33.5	32.9	38.0	55.9	47.0	-15.9
CIS in Asia	20.9	33.9	26.1	4.2	6.1	5.2	25.9	40.9	32.2	-21.3
Azerbaijan	1.3	1.6	1.7	0.6	0.7	0.8	1.9	2.4	2.5	4.7
Kazakhstan	9.6	22.7	14.5	2.0	3.5	2.4	12.0	26.6	17.3	-35.0
Kyrgyzstan	0.8	0.9	0.9	0.7	0.7	0.7	1.5	1.6	1.6	-1.9
Tajikistan	0.8	0.8	0.9	0.2	0.2	0.2	1.1	1.0	1.2	12.0
Turkmenistan	1.3	1.3	1.4	0.1	0.1	0.1	1.5	1.5	1.6	6.7
Uzbekistan	6.7	6.4	6.5	0.3	0.3	0.4	7.2	6.9	7.1	2.8

Note: Totals and percentage change computed from unrounded data.

^{1/} Total cereals includes wheat, coarse grains and rice (paddy).

CIS Europe¹

Smaller wheat harvest expected in 2012

The 2012 winter cereal crops (wheat and barley), are at the vegetative developing stage, while spring coarse grain crops have started to be planted. FAO's latest forecast of the subregion wheat production in 2012 stands at 73.7 million tonnes, about 10 percent down from last year's bumper crop and below the average of the past five years. This mainly reflects unfavourable prospects in **Ukraine**, where a sharp decline in wheat output is expected reflecting adverse conditions this season: some major producing parts have been severely affected by drought since the planting period last autumn, while winterkill has been higher than normal due to severe low temperatures and limited snow cover. The most affected areas are expected to be replanted with other crops this spring. With the harvested area forecast to fall sharply and lower yields expected,

production is forecast at 14 million tonnes, nearly 40 percent below last year's bumper crop and well below the average of the past five years. By contrast, in the **Russian Federation**, latest indications point to a marginal increase in production of wheat in 2012, largely reflecting an increase in plantings in response to continuing strong prices. Most crops were protected by ample covering of snow during the winter so about average levels of winterkill could be expected, despite severely cold periods. Assuming normal growing conditions for the remainder of the season, output is forecast at 56.8 million tonnes, some 1 percent up from the 2011 good crop. In **Belarus**, prospects for this year's wheat crop, accounting for one-quarter of the annual cereal production, are also favourable. Crops are reported in satisfactory conditions due to sufficient snow coverage during winter months. In the **Republic of Moldova**, the only LIFDC in Europe, the outlook for winter wheat and barley crops is still uncertain due to drought in parts of the country during autumn and severe frosts in winter. Plantings of spring maize are expected to increase to compensate the anticipated decline in wheat production.

¹ CIS countries in Europe include: the Russian Federation, Ukraine, Belarus and the Republic of Moldova.

The 2011 cereal production recovered from the previous year's drought-devastated harvest

In the European CIS, favourable growing conditions during the 2011/12 cropping season resulted in a sharp recovery in the 2011 cereal production in all countries of the subregion. The aggregate output (winter and spring cereal crops) is estimated at around 157.9 million tonnes, 44 percent higher than in 2010 and 12 percent above the five-year average.

Export restrictions removed in mid-2011

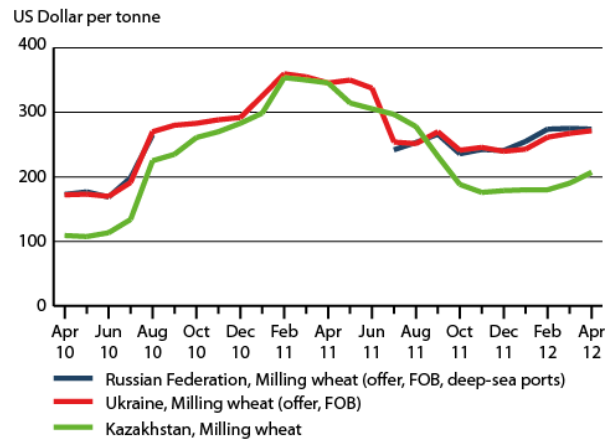
Export restrictions imposed in mid-2010 - that were an important factor in driving up world price in 2010/11 marketing year (July/June) - were removed following the 2011 good production. In the Russian Federation, the export ban was lifted from July 2011, while in Ukraine, the grains export quotas were abolished and replaced by export duties from June 2011. These duties were subsequently removed in October 2011.

Within the New Customs Union (Belarus, Russian Federation and Kazakhstan) no duties or restrictions on cereals trade are currently in place. In the Russian Federation, production will continue to be highly supported by subsidies agreed under WTO. In Ukraine, negotiations are underway with the EU for a comprehensive free trade agreement. The last round of negotiations took place in September 2011.

Export prices of wheat on the increase

In the Russian Federation and in Ukraine, export prices of milling wheat rose by 13 percent in the past four months mainly due to concerns about the impact of dry weather on the 2012 wheat crop in the Ukraine. At their current levels, prices remain at relatively high levels, despite their drop in the second half of last year with the 2011 wheat harvests. This is affecting domestic prices in importing countries of the CIS region, in particular Caucasus countries that are heavily dependent on cereal imports from Russia and Ukraine.

Export prices of milling wheat



CIS in Asia

Cereal production forecast to decline in 2012

In the **Asian CIS** subregion, wheat is the main cereal. **Kazakhstan** is the major producer and the bulk of the crop is spring sown in April and May. The area planted is officially forecast at 13.5 million hectares, slightly down on last year's level given that large wheat surpluses still exist after the record harvest of 2011. The final area planted could be further reduced due to inadequate soil moisture following dry weather in autumn and winter. Lower plantings combined with a return to average yields after high levels last year, are likely to result in a significant smaller output this season.

Elsewhere in the subregion, cereal production is early forecast to increase from last year's levels in almost all countries despite a prolonged winter. In particular, in **Armenia** the cereal output is forecast 13 percent higher mainly reflecting larger wheat plantings. Overall, cereal production in the past few years in Caucasian countries (Azerbaijan, Armenia and Georgia) has been supported by government policies and relatively favourable weather conditions. However, the three countries remained heavily dependent on cereals imports, mainly wheat: imports represent 70 to 90 percent of the wheat food consumption.

Record 2011 cereal production in the subregion

The aggregate cereal output (winter and spring crops) is estimated at around 41 million tonnes, 58 percent above the previous year's drought-reduced level and some 24 percent higher than the five-year average. The significant increase mainly reflected a bumper harvest in Kazakhstan.

Large exportable surplus in the subregion in 2011/12 marketing year

As a result of the 2011 record harvest, Kazakhstan has a significant exportable surplus of wheat, estimated at around 8.5 million tonnes. However, due to its landlocked status and infrastructure constraints, the country continues to experience

logistical difficulties in supplying wheat to the international markets.

Wheat flour prices decreasing in importing countries but still at high levels

Except Kazakhstan, the remaining CIS countries heavily depend on cereal imports for covering their consumption requirements. Domestic prices of wheat flour, the main staple in the subregion, which started to decline in the second half of 2011, continued to moderately decrease in early 2012 in most countries. However, although prices are some 15 to 20 percent lower than their peaks in mid-2011 in Armenia, Azerbaijan, Georgia, Kyrgyzstan and Tajikistan, they remained generally high, well above their levels of two years earlier. This reflects trends in the export markets.



SOUTHERN AFRICA

A review of the 2011/12 cropping season

14 May 2012

■ Harvesting of the 2011/12 main season cereal crops is underway across Southern Africa and is expected to continue until June/July. Current crop prospects point to a slight decrease in maize production (the main food staple) compared to 2011, following a contraction in the area planted and a protracted dry spell in early 2012.

Irregular rains during 2011/12 cropping season

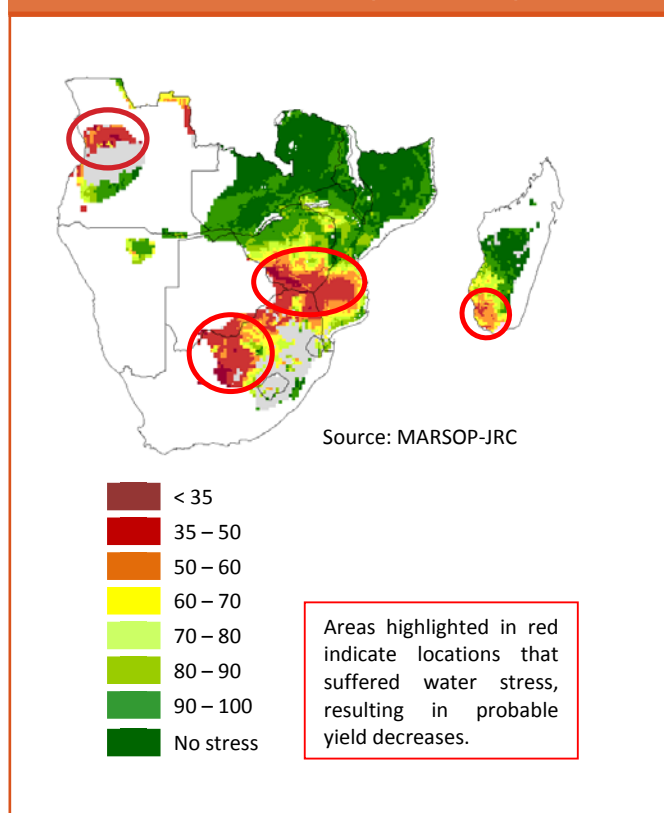
The first three months of the 2011/12 cropping season (October-December 2011) were largely characterised by erratic precipitation, both spatially and temporally, resulting in localised early season water deficits, particularly in eastern areas. While the start of the following quarter (January-March 2012) was marked by an intense period of torrential rains, associated with the passing of successive tropical cyclones in the Mozambique Channel, a protracted dry period in February impacted southern Zimbabwe, southern and central Mozambique and central areas of Botswana in particular, intensifying water deficits and resulting in permanent crop wilting in some of the affected areas.

The water requirement satisfaction index (WRSI) for maize (Figure 1) illustrates the poor vegetation conditions in southern parts of Mozambique, Botswana, Madagascar, and Zimbabwe, as well as western areas of South Africa's maize triangle. Although these areas do not constitute the main maize growing regions in their respective country (with the exception of South Africa's maize triangle), production shortfalls may impact localized food supplies.

Cereal production estimated to decrease, but remain above average

In South Africa, the subregion's dominant producer (accounting for about 45 percent of the total cereal output of the subregion), farmers responded positively to high maize prices in 2011, increasing plantings. The 2012 maize output is anticipated to exceed last year's level by 7 percent, estimated at 11.7 million tonnes; however, below average rains in February and March affected yield levels and may have dampened a potentially larger harvest.

Figure 1: Maize water requirement satisfaction index March (3rd dekad) 2012



Elsewhere in the subregion, crop assessments and field observations point to a contraction in plantings in Lesotho, Swaziland, Zambia and Zimbabwe for the 2011/12 cropping season, while the planted area to maize is estimated to remain unchanged in Mozambique and Malawi. Despite generally favourable weather conditions in the main central and northern producing regions of Malawi, Mozambique, Zambia,

Please see the forthcoming Crop Prospects and Food Situation report, scheduled for release in June 2012, for an update.

www.fao.org/giews

and Zimbabwe, the prolonged dry spell depressed national maize production to levels below 2011 (Table 1). In Zimbabwe, the effect was more severe, with an estimated 722 557 hectares of maize (43 percent of the total cropped area to maize), mainly in southern provinces, written off as a consequence of the moisture deficits. Production is therefore estimated to be one third lower than the previous year. Rice production in Madagascar is estimated to decrease in 2012, on account of crop damage caused by successive tropical cyclones at the start of 2012, particularly affecting eastern districts, where recent assessments indicate damage of up to 75 percent in some locations.

In the import dependent countries of Lesotho, Swaziland and Botswana a combination of limited input access and irregular rains contributed to a reduction in cereal production.

In Namibia, another import dependent country, preliminary estimates indicate a larger cereal harvest in 2012. Prospects in Angola are mixed, due to a long period of below normal rains impacting coastal and northern regions, while satellite based images indicate satisfactory vegetation conditions in southern regions of the country.

Southern Africa cereal production (million tonnes)

	Maize		Rice (paddy)		Total cereals		
	2011 estim.	2012 f'cast	2011 estim.	2012 f'cast	2011 estim.	2012 f'cast	Change: 2012/2011 (%)
Southern Africa	22.7	22.6	4.8	4.5	31.3	30.5	-2.3
- excl. South Africa	11.8	10.9	4.8	4.5	17.9	16.7	-6.9
Madagascar	0.4	0.4	4.3	4.0	4.7	4.4	-6.7
Malawi	3.9	3.6	0.1	0.1	4.1	3.8	-7.1
Mozambique	2.2	2.0	0.3	0.3	2.9	2.8	-5.7
South Africa	10.9	11.7	0.0	0.0	13.4	13.9	3.7
Zambia	3.0	2.8	0.0	0.1	3.4	3.2	-6.0
Zimbabwe	1.5	1.0	0.0	0.0	1.7	1.2	-30.4

Note: Totals and percentage change computed from unrounded data.

Sorghum production is estimated to decline across the subregion, while estimates indicate a comparable millet harvest to the previous year. The winter wheat crop, to be harvested from September/October 2012, is projected to decrease, reflecting lower planting intentions in South Africa, despite an expected larger crop in Zambia and Zimbabwe. Overall, in 2012, the cereal output for the subregion is currently estimated to contract by 2.3 percent to 30.5 million tonnes. At this level, production still exceeds the previous five year average.

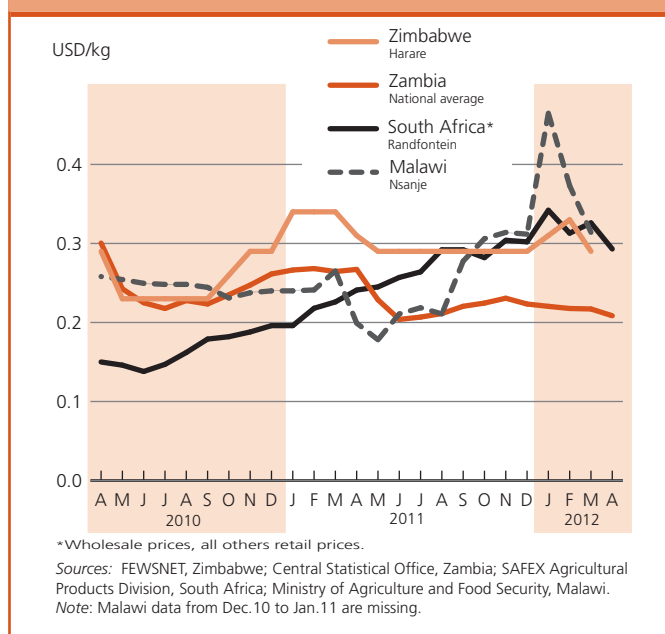
Market prices have shown mixed trends

In the main exporting country, South Africa, robust international demand and a significant reduction in closing stocks (down 1.7 million tonnes compared to the previous season) fuelled price increases to record levels in January 2012 (Figure 2). South Africa has in response imported maize to help buffer supply levels. Prices of yellow and white maize increased marginally in March 2012 but declined by 9 and 8 percent to Rand 2 159 and Rand 2 293 per tonne, respectively, in April compared to the previous month. At these levels prices remained below their record levels of January 2012 but were approximately 30 to 40 percent higher than one year earlier.

Prices in Lesotho and Swaziland have risen since the last quarter of 2011, closely corresponding to the higher prices in South Africa, their main trading partner.

Malawi experienced rapid price rises in the last quarter of 2011 and the beginning of 2012 in southern markets. However, following the suspension of exports in December 2011, prices decreased in February and March 2012, but national average maize prices remain above their levels of one year earlier. In contrast, maize prices in Zambia are below the last 3-year average, owing to adequate domestic supplies. Prices of maize in Zimbabwe (Harare), as well as rice prices in Madagascar (national

Figure 2. White maize prices in selected Southern African markets



average) have exhibited seasonable increases towards the end of 2011 and beginning of 2012. In February and March however, new supplies from the harvest resulted in price declines.

Import requirements set to increase in 2012/13 marketing year (April-May/May-April)

Following the estimated decline in cereal production, import requirements for the subregion as a whole are forecast to rise in the 2012/13 marketing year, although expected to remain below the 5-year average (2007/08-2011/12).

In Zambia, a reduction in the level of the exportable surplus is forecast following the relatively substantial exports of 442 000 tonnes during 2011/12. However, given the sizeable national stock, exports are expected to continue in the following months. Similarly, Malawi is also expected to register a drop in potential exportable surpluses (exports are currently subject to a temporary suspension since December 2011, in an effort to direct increased supplies to southern markets to counter high domestic prices). In South Africa, in spite of the larger 2012 harvest, reduced

exports are forecast in the current marketing year compared to 2011/12. Overall, and based on current production estimates, the subregional maize supply is forecast to still satisfy the anticipated import requirement of importing countries within the subregion.

Despite the generally stable conditions, food insecurity likely to increase in some areas

In parts of southern Africa, current production shortfalls will add to earlier poor harvests and is expected to weigh heavily on the households coping capacities and livelihoods. Areas affected include southern Malawi and Zimbabwe, southern and central interior regions of Mozambique, and Lesotho. Lower rice production in Madagascar, particularly in eastern districts, is also expected to negatively impact on the food security conditions, forcing an earlier than normal start of the lean season in 2012. Vulnerability assessments are scheduled to be conducted in May/June and will provide a clearer picture of the current and projected food security situation, as well as the possible food assistance requirements.



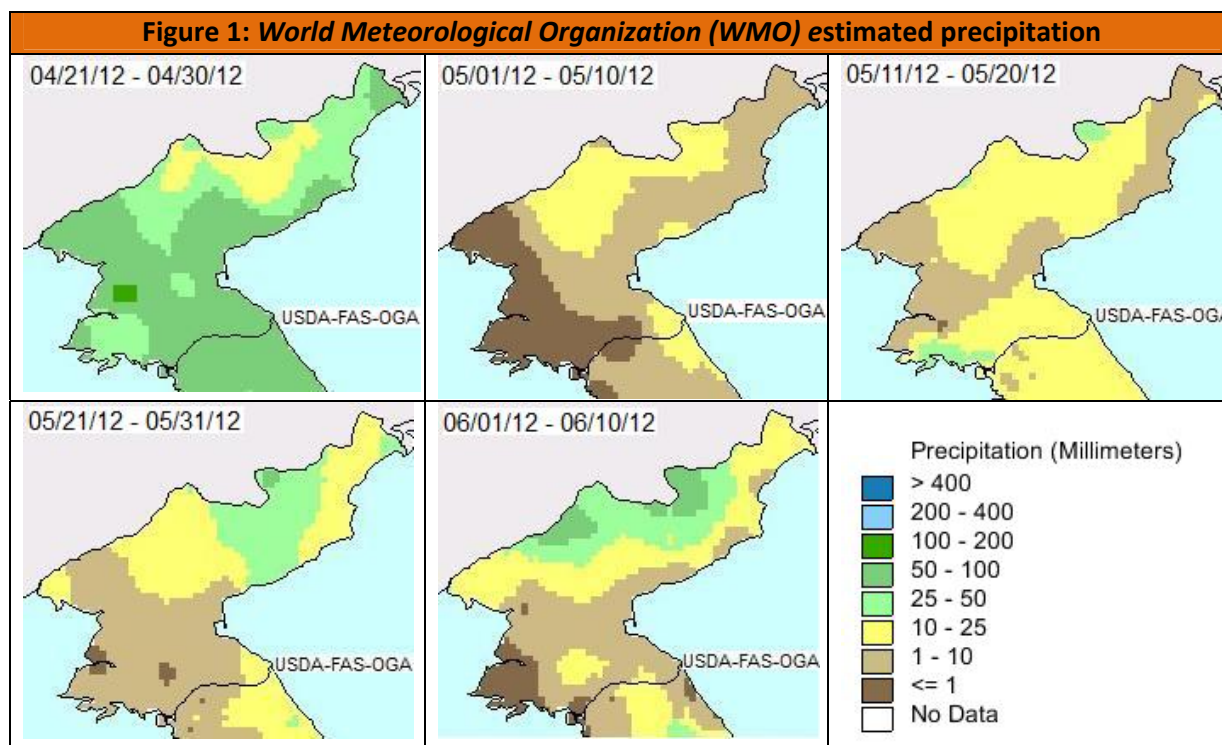
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Dry Spell Situation

18 June 2012

Prolonged dry spell in southwest and central provinces threatens 2012 cropping seasons

Since the first dekad of May, a severe dry spell stretching for four dekads (**Figure 1**) has affected early season crops which were at maturing stage and are currently being harvested. The dry spell especially has affected the transplanted maize crop of the main season. The provinces reporting the most widespread crop damage are North Hwanghae, South Hwanghae, North Pyongan, South Pyongan, and farmed areas of Pyongyang City. These provinces contribute collectively the largest share to the total national output. The early estimates provided by the National Coordinating Committee (NCC) indicate that 196 882 hectares of cropland (or about 90 percent of the non-paddy cultivated area in these five provinces, see **Table 1**) has been affected. This includes about 37 221 hectares of early crops - mainly potatoes, wheat and barley from winter and spring seasons. The Government-estimated total area affected by the current dry spell amounts to about 17 percent of the total national area under the main season cultivation of food crops, including cereals, potatoes and soybeans.



Source: USDA's Crop Explorer <http://www.pecad.fas.usda.gov/cropexplorer/imageview.cfm?regionid=korea>

Table 1: Total dry spell-affected area, excluding paddy area but including double cropping areas under early crops, by provinces, as of end-May (ha)

Province	Total Arable Land	Dry spell affected crops including early crops	Dry spell affected early crops (potatoes, wheat and barley)
Pyongyang City	11 888	9 291	3 053
South Pyongan	19 368	17 297	3 227
North Pyongan	22 264	19 593	789
South Hwanghae	50 566	42 302	5 288
North Hwanghae	113 131	108 399	18 139
Total¹	217 217	196 882	30 496

Source: National Coordinating Committee (NCC), DPRK

¹ Totals based on the sum of the 5 provinces.

Impact on early crops: No precise information on the full extent of the damage is yet available, but water deficits in May are expected to negatively affect yields of the early crops, which are normally harvested in June and July.

Impact on main season crops: According to the field visits by the FAO team to the North and South Hwanghae provinces on 31 May and 1 June 2012, the majority of maize was transplanted between 20 April and 10 May. This maize is expected to be the hardest hit by the prolonged dry spell. Reportedly, the maize in seedbeds is facing severe water shortages and other inputs for irrigation. The delayed sowing (first time or re-plantings in some cases), assuming the rains arrive in the next few weeks, are likely to influence the final yields negatively.

Furthermore, any replantings would require additional seeds. Therefore, an urgent examination of needs and actions is needed to make the seeds available so that the maize crop can be salvaged. Maize is the single largest food commodity as its production in 2011 was estimated at about 2 million tonnes, or 52 percent of the total national cereal output.

No serious damage to the paddy crop, currently being transplanted, has been reported yet, but insufficient rains are likely to impact transplanting activities and place additional burden on irrigation resources.

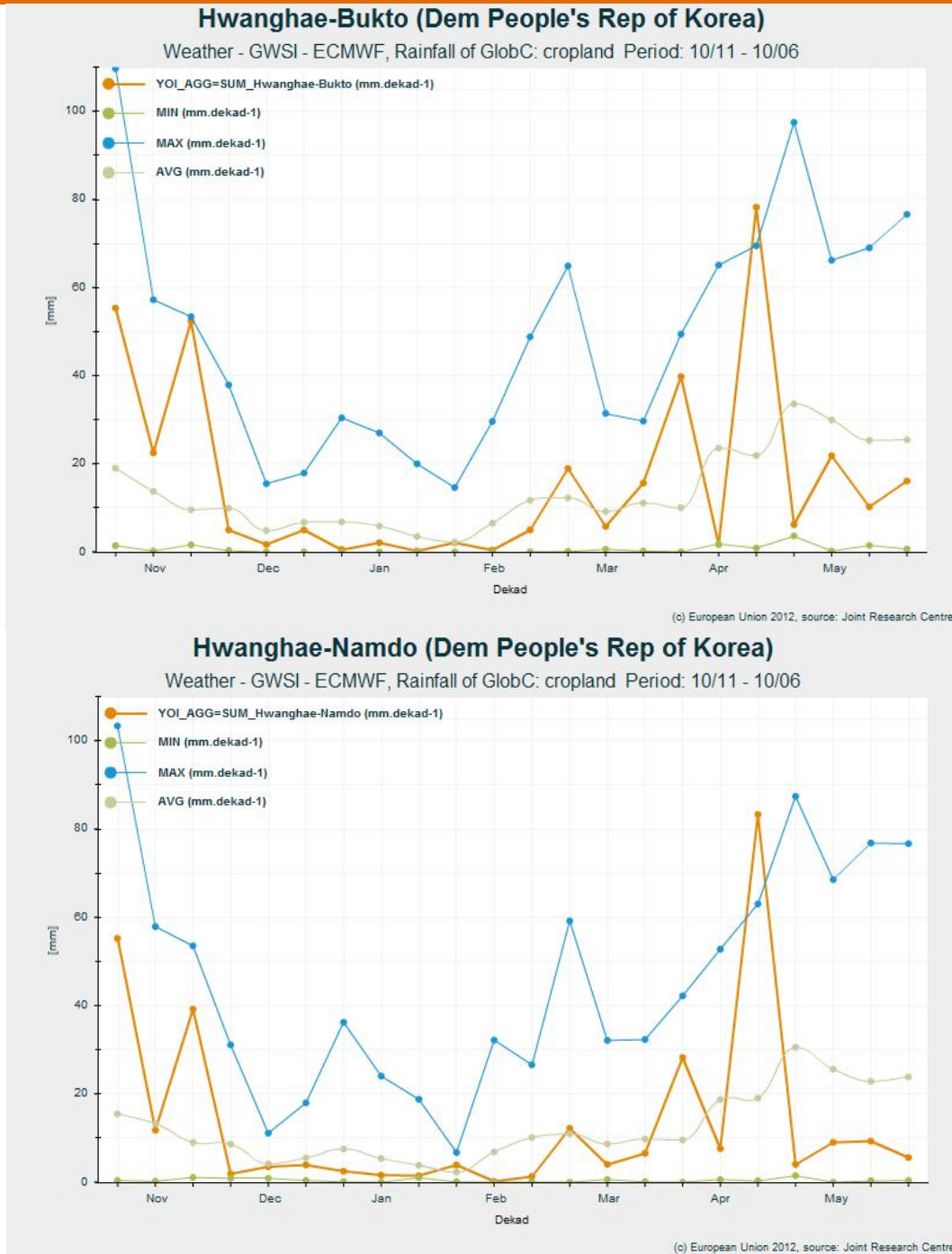
However, during the first dekad of June, the estimated rainfall improved in South and North Pyongan (**Figure 2**) and some showers were reported on 15 June at the Pyongyang city and the surrounding areas, which could help restart the main season crop plantings. The main production areas in the North and South Hwanghae provinces, however, continue to experience below-average rains, threatening the outcome of the main season as well.

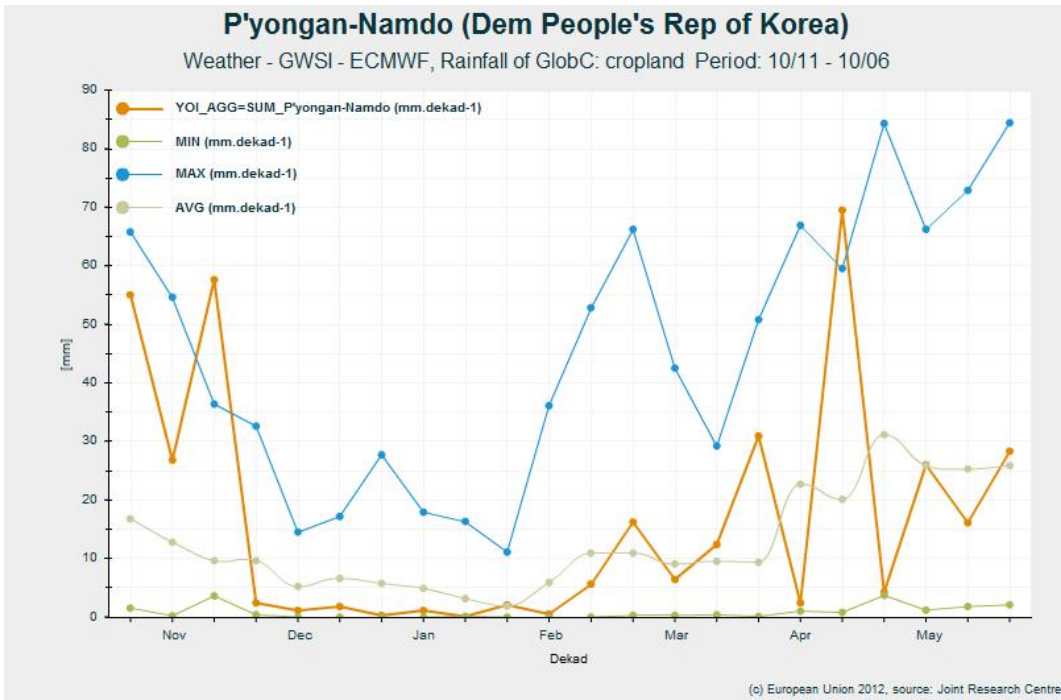
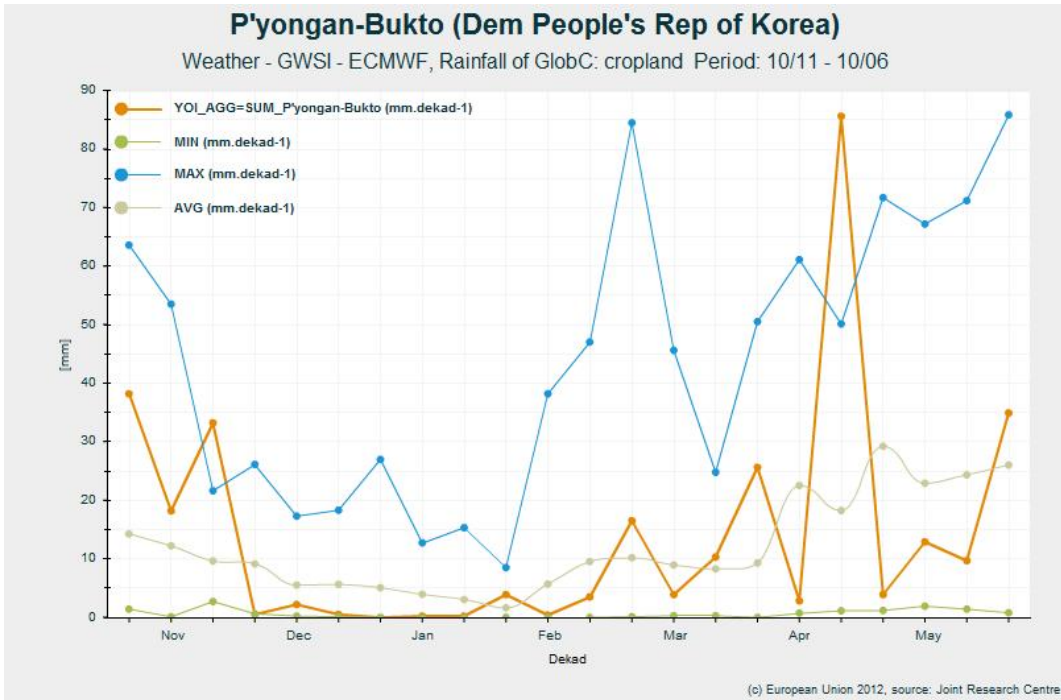
Current food availability: The total cereal import requirements for the 2011/12 marketing year (Nov/Oct) were estimated by the FAO/WFP Crop and Food Security Assessment Mission (CFSAM) at 739 000 tonnes, based on the forecast of early season crops at 500 000 tonnes. Any drop in production is likely to add to the shortfall of food supplies and worsen food insecurity in the country. As of Mid-May, total commercial imports into the country are estimated at 333 300 tonnes, primarily rice from China and maize from Ukraine, Argentina and the EU. Only 83 500 tonnes of food aid, in total, has been received in this marketing year. More imports, commercial

or food aid, would be required during the next four lean months until the harvest of the main season in October-November, to help maintain the food rations through the public distribution system.

FAO will continue to closely monitor the weather situation and crop progress affecting food security in the country.

Figure 2: Estimated rainfall from November 1st dekad to June 1st dekad along with long term average, minimum and maximum in selected provinces





Source: EU 2012 Joint Research Centre.

Reference Date: 26-July-2012

FOOD SECURITY SNAPSHOT

- Prospects for 2012 winter cereal crops is poor following escalation of conflict and inadequate rains
- Growing concern over the impact of prolonged civil unrest on the food security situation, especially of vulnerable groups
- Food inflation escalates since end of 2011
- High cereal import requirements forecast for 2012/13 (July/June) marketing year following expected reduction in domestic production

Poor prospects for current crops

A combination of drought conditions, insecurity and rising input and fuel prices has jeopardised prospects for the 2012 winter cereal crops. Insufficient rains affected major rainfed crops in Al Hasakah and Al Raqqah in the north and north-east while insufficient input supply and high labour costs affected agricultural activities. The civil insecurity that prevailed in most parts of the country prevented many farmers from accessing their farmland during important stages of crop development and harvest. In addition, lack of fuel to operate irrigation pumps and other equipment, as well as shortage of harvesters resulted in large unharvested croplands.

The last forecast from an Agriculture Ministry official in May 2012 put wheat production at an above average 3.7 million tonnes and barley at 843 000 tonnes. However, current forecasts indicate a well below average cereal harvest in 2012 following the escalation of civil unrest and conflict that is hampering normal agricultural activities.

Syria's state-run General Establishment for Cereal Processing and Trade (Hoboob) has so far this year procured 1.25 million tonnes of wheat from local farmers. According to reports, the purchasing period that started on May 25 and is expected to end on August 15 targets the procurement of between 2.2 million to 2.4 million tonnes of local wheat.

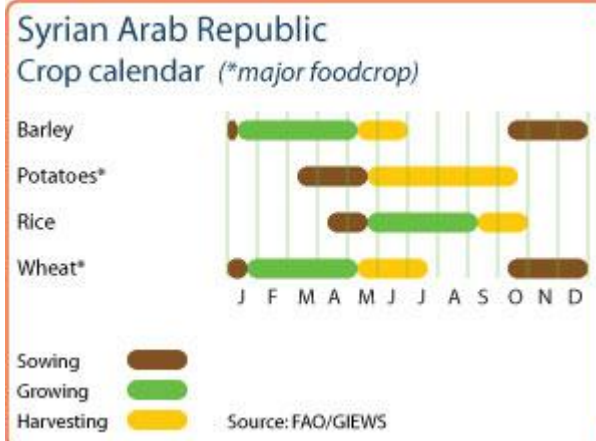
Cereal import requirements expected to increase in current 2012/13 marketing year

Syria normally relies heavily on food imports amounting to almost half of the total domestic utilization. In 2012, given the poor outlook for domestic cereal production, the cereal import requirement - mainly wheat for food use and maize and barley for feed - in marketing year 2012/13 (July/June) may reach as high as 5 million tonnes, almost one and half million tonnes more than the previous year.

Food price inflation soars to record levels since end-2011

According to data from the Syrian Central Bureau of Statistics, the country's year-on-year inflation rate stood at 32.5 percent in May 2012, mainly driven by sharp increases in food prices and by fuel shortages that are impacting on transportation costs. The food inflation reached over 40 percent in May 2012.

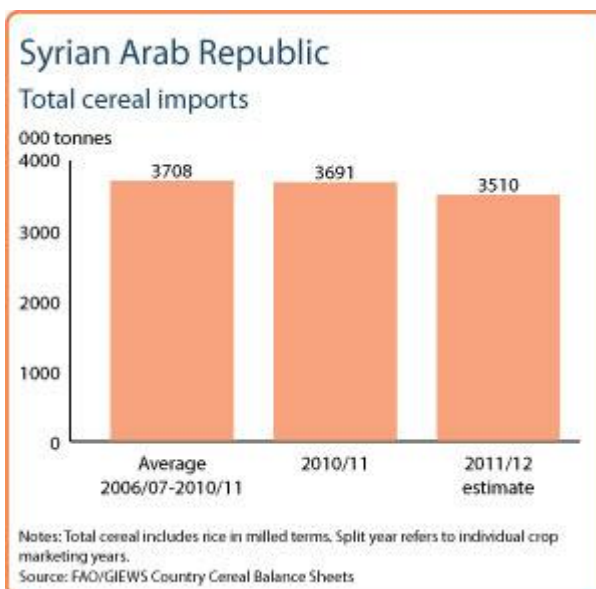
Prices of bread and cereals, major staples in the local diet increased



Syrian Arab Republic Cereal production

	2006-2010 average	2010	2011 estimate	change 2011/2010
	000 tonnes		percent	
Wheat	3 579	3 083	3 850	25
Barley	755	680	700	3
Maize	187	133	125	-6
Others	7	8	8	0
Total	4 528	3 904	4 683	20

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



sharply with a year-on-year inflation rate of about 36 percent in May 2012 (5 percent on April 2012).

Total unemployment rate in Syria has increased from about 12 percent to 25 percent, and a large share of population is displaced. High unemployment levels coupled with high inflation rates seriously impacted the purchasing power of the population.

Civil unrest aggravates food insecurity

Continued civil unrest since mid-March 2011 has raised serious concern over the state of food security, particularly for vulnerable groups. Following the unrest, the economy in 2011 contracted by 3.4 percent. For 2012 the government expects a growth between 0 and 2 percent, while external sources expect a large contraction of over 8 percent. The economy continues to be under pressure from international sanctions which include an embargo on oil exports as well as restrictions on international trade, investment and financial transactions. Imports of agricultural commodities to Syria are affected by inability to finance imports as a result of restrictions.

The Government's fiscal capacity to support producer and consumer subsidy schemes has come under severe strain following the economic downturn and the international sanctions.

One million people in need of humanitarian assistance

According to the findings of an assessment led by the government together with the United Nations and the Organization of Islamic Cooperation in March 2012, an estimated one million Syrians are in need of humanitarian assistance. This figure includes people that have been directly affected by the civil unrest such as IDPs, those who have lost access to essential services (essentially security, food, health and education) and host families.

The WFP assistance reached 850 000 people in July 2012, up from 200 000 in March. Additional assistance is provided to Syrian refugees in Jordan, Lebanon, Turkey and Iraq. A revised Emergency Operation (EMOP) has been approved by WFP and FAO on 31 July 2012 to provide additional 25 365 tonnes of food (a total of 74 367 tonnes) to 850 000 vulnerable people to the end of 2012.





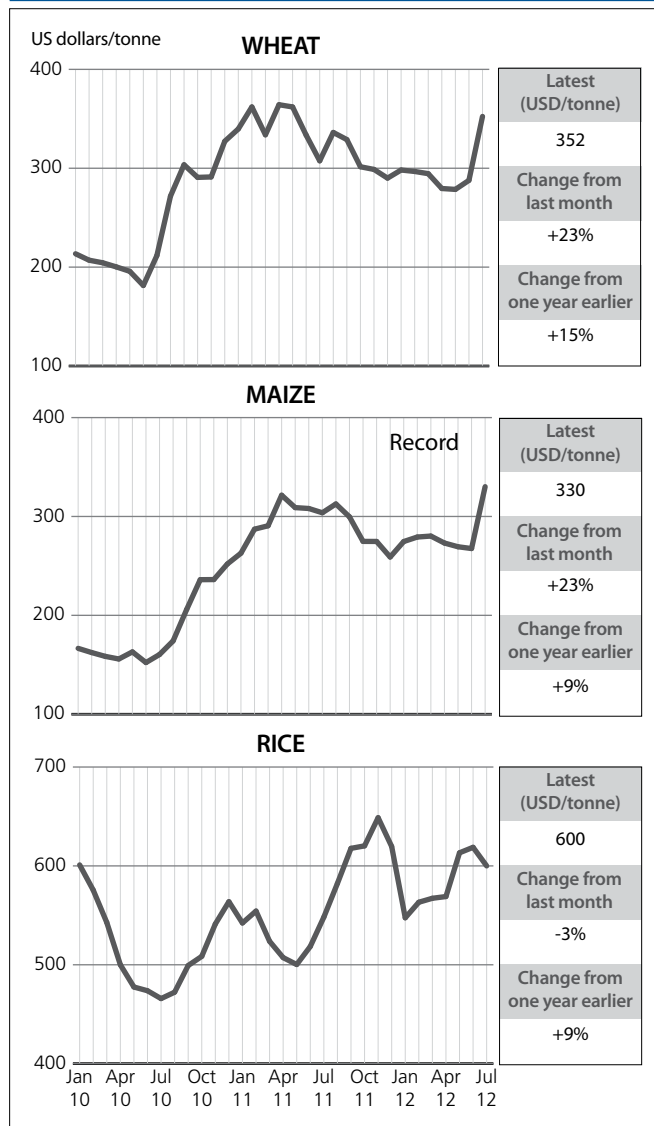
International prices of grains averaged 23 percent higher in July than June - maize at record levels

■ Export prices of **maize** increased sharply in the first three weeks of July and remained firm to the end of the month. The benchmark US maize price (Yellow, No.2, f.o.b.) averaged USD 330 per tonne, up 23 percent from June and a record high. The increase in July largely reflected continuous deterioration of crop conditions in the main growing areas of the United States, affected by severe drought. Slowdown of world demand in recent weeks due to higher prices and global economy concerns, limited the gains somewhat.

■ International prices of **wheat** followed a similar trend to those of maize through July, with the benchmark US wheat price (No.2 hard Red Winter, f.o.b.) averaging USD 352 per tonne, 23 percent higher than in June and 15 percent above the July 2011 level. Further deterioration of prospects for the 2012 wheat crop in the Russian Federation and high maize values underpinned prices. Recent concerns about the impact of dry weather on the final area planted to wheat in Australia and Argentina also provided support. However, the early start of the spring wheat harvest in the United States weighed on prices in the second part of the month.

■ The benchmark Thai **rice** export price (Thai white rice 100% B) decreased in July averaging USD 600 per tonne, 3 percent below the level in June but still 9 percent higher than in July 2011. The decline in July mainly reflected slow pace of exports from the country. Prices of other origins, however, have shown a tendency to strengthen.

International cereal prices (benchmark monthly averages)



For latest data on domestic and international food prices consult the

GIEWS Food Price Data and Analysis Tool at:

www.fao.org/giews/pricetool



DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

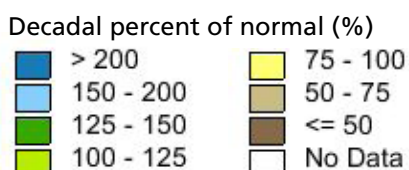
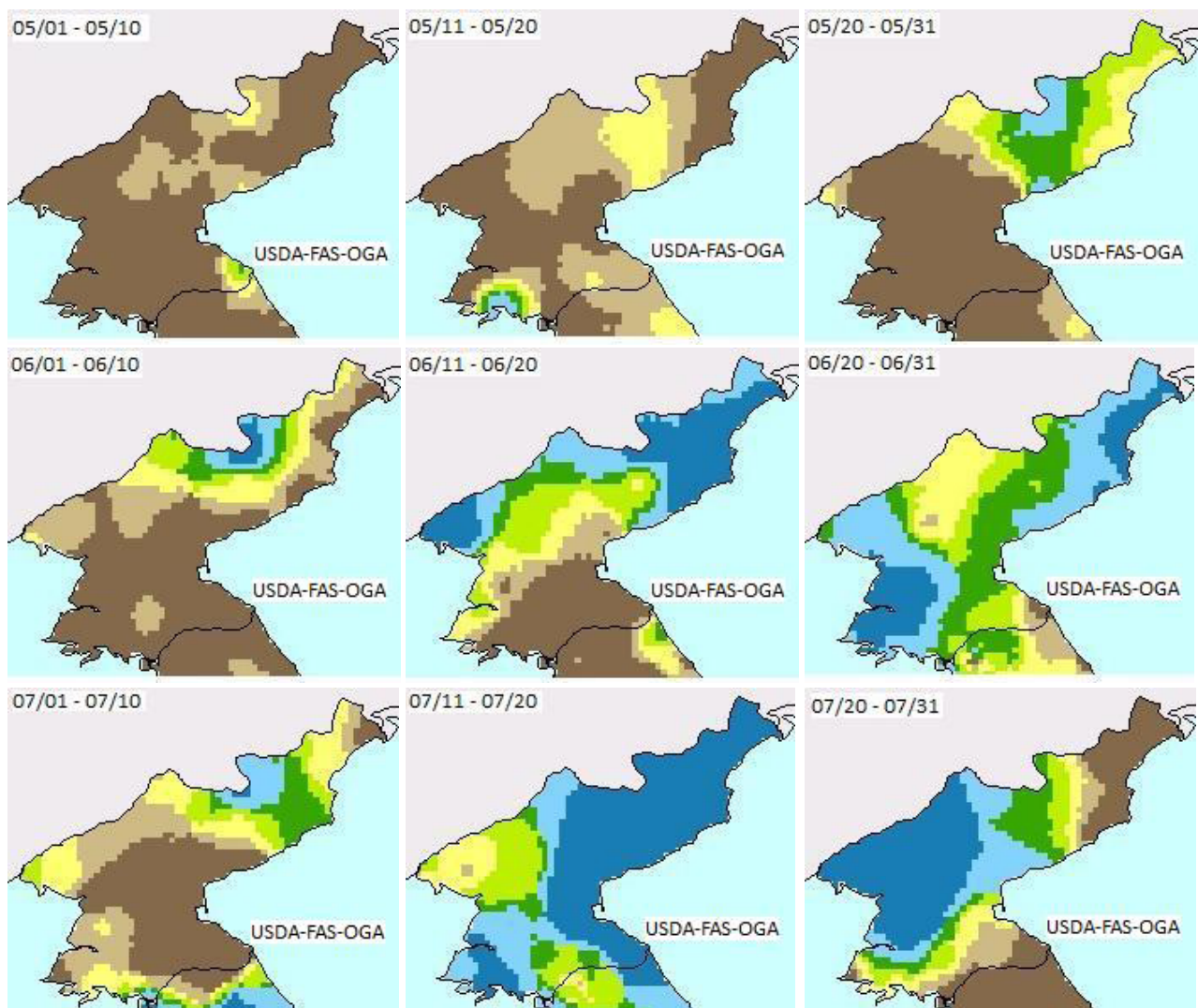
Drought and Flood Update

20 August 2012

Prolonged dry spell and recent floods affect 2012 cropping season

During the months of May and June a prolonged dry spell resulted in severe soil moisture deficit affecting the main producing areas of the country. The provinces most affected are North and South Hwanghae and North and South Pyongan. The dry spell has seriously affected the maturing early season crops (winter/spring barley/wheat, potatoes) and planting of main season maize crop. Following this dry period, heavy monsoon rains during mid-July, coupled with the tropical cyclone Khanun, caused severe flooding and localized damage to standing crops of the 2012 main season, including maize, soybeans and rice. Thunderstorms and heavy downpour on 29-30 July further exacerbated the situation, particularly in central parts. The provinces reporting serious flood damage are North and South Pyongan, South Hwanghae and North and South Hamgyong (see Figure 1).

Figure 1. World Meteorological Organization (WMO) Decadal percent of normal precipitation from 1st dekad of May to 3rd dekad of July 2012



Source: United States Department of Agriculture Foreign Agricultural Service

Flood Damage Estimates

Provisional estimates provided by the National Coordinating Committee (NCC) indicate that 65 282 hectares of cropped land have been affected (submerged, buried, washed-away and fell down) by the recent floods nationwide (see **Table 1**). This represents about 5 percent of the total area planted to the main season crops in 2011. No precise crop damage estimates are yet available, but reportedly, rice, maize, and soybeans are likely to be affected the most. However, the rains are expected to benefit the growing crops in surrounding areas. The rainy season typically continues until September.

Table 1: DPRK - Main-season crop area under paddy and total grains and potatoes in 2011 and the area affected by drought and recent floods (000 ha)

Province	Paddy ¹	Total (grains and potatoes) ¹	Area affected by dry spell ²	Area affected by floods ²
Pyongyang City	20	28	10.2	
South Pyongan	83	163	18.5	21.9
North Pyongan	101	215	22.7	23.4
Chagang	7	54		0.2
South Hwanghae	146	253	52.3	2.8
North Hwanghae	64	167	112.9	1.9
Kangwon	34	80		1.3
South Hamgyong	60	132		5.7
North Hamgyong	27	100		7.2
Ryanggang	2	37		
Nampo City	27	38		0.9
Other Provinces			40.7	
DPRK	571	1268	257.4	65.3

¹ Source: Ministry of Agriculture as reported in FAO/WFP CFSAM 2011 report.

² Source: National Coordinating Committee for UNDP. There may be some overlap between the drought and flood affected areas.

Dry Spell Damage Estimates

A prolonged dry spell since the beginning of May stretching for five dekads affected early season crops when they were at the maturing stage. The dry spell has also negatively affected the 2012 maize crop of the main season in the largest crop producing provinces, namely North Hwanghae, South Hwanghae, North Pyongan, South Pyongan, and farmed areas of Pyongyang City. These provinces

Table 2: Total dry spell-affected area to the early crops, excluding paddy and maize area, by province, as of end-May (000 ha)

Province	Total Arable Land of Early Crops ¹	Dry Spell affected early crops (potatoes, wheat and barley)
Pyongyang City	11.888	3.053
South Pyongan	19.368	3.227
North Pyongan	22.264	789
South Hwanghae	50.566	5.288
North Hwanghae	113.131	18.139
DPRK	217.217	30.496

¹ Source: National Coordinating Committee for UNDP

contribute collectively the largest share to the total national output. The insufficient rain and shortages in irrigation facilities also resulted in delayed planting of the 2012 main season rice crop. Although above normal rains from the second dekad of June over the main crop producing areas provided some relief and allowed rice transplanting to take place, the late start of the planting period may reduce crop yields.

A detailed assessment of the full extent of the crop damage is not yet available but the estimates provided by the NCC indicate that, as of end of June, some 287 896 hectares of cropland have been affected by the dry spell. This includes about 30 496 hectares of early crops – mainly potatoes, wheat and barley from winter and spring season (see **Table 2**) and 257 400 ha of main season crops. The total affected area represents about 20 percent of total national area cultivated to food crops, including cereals, potatoes and soybeans. Some of the flooded area was already affected by the dry spell.

Current Food Availability and Food Insecurity

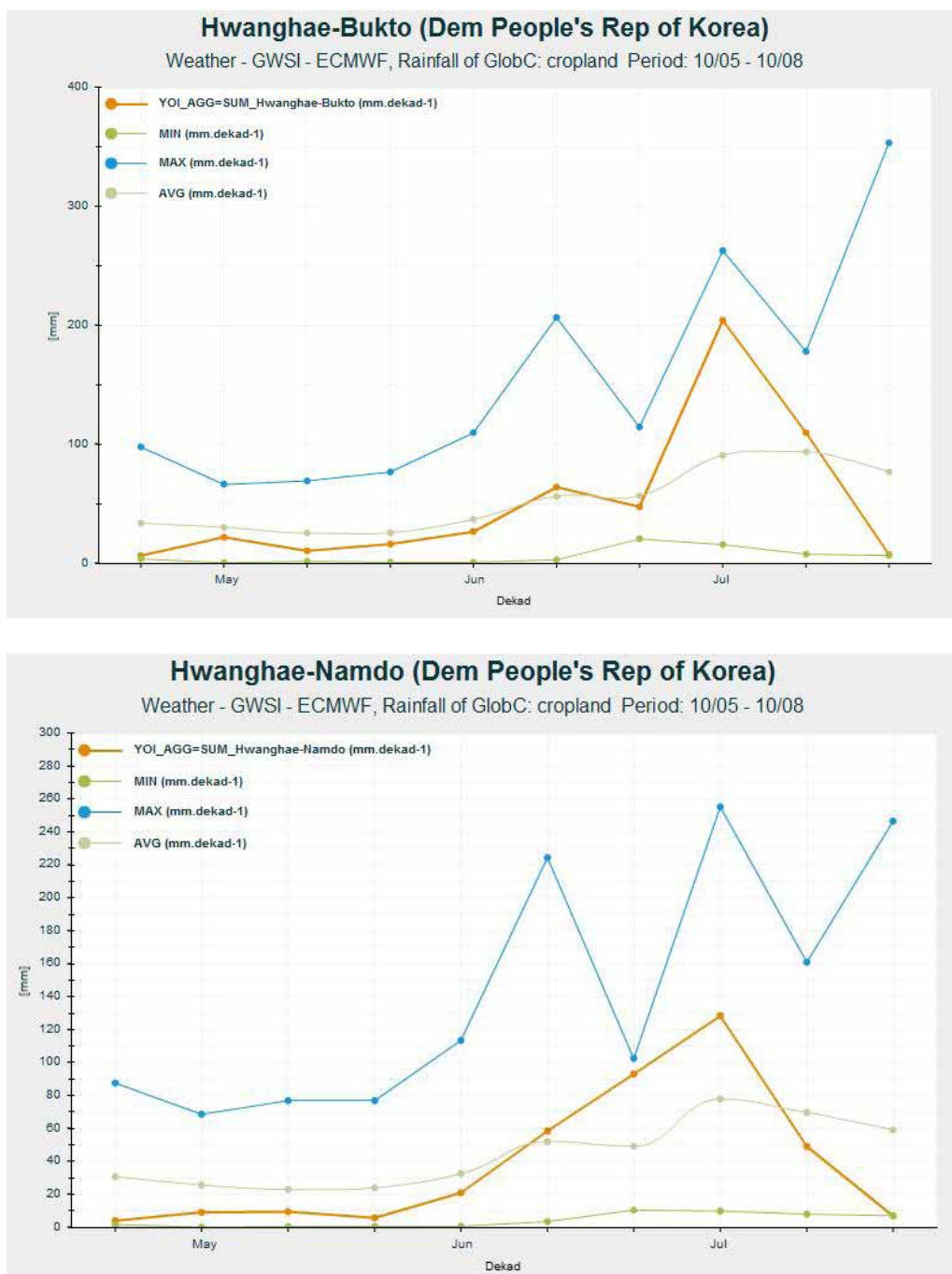
The severe floods, which followed the prolonged dry spell earlier this year, raise concerns for the flood affected and vulnerable population. Latest official figures show that floods affected at least 60 096 households and left approximately 212 204 people homeless. Damage to housing and agricultural infrastructure was also reported. The Government recently launched a request for food aid, in order to respond timely to food shortages.

Total cereal import requirements for 2011/12 marketing year (Nov/Oct), prior to the current dry spell and floods, were estimated by the 2011 FAO/WFP Crop and Food Security Assessment Mission (CFSAM) at 739 000 tonnes based on the forecast of 2012 early season crops at 500 000 tonnes. Any drop in production is likely to add to the shortfall of food supplies and worsen food insecurity in the country. As of mid-July, total commercial imports into the country are estimated at 337 800 tonnes. Only 111 192 tonnes of food aid, in total, has been received in the current marketing year. More imports, commercial or food aid, would be required during

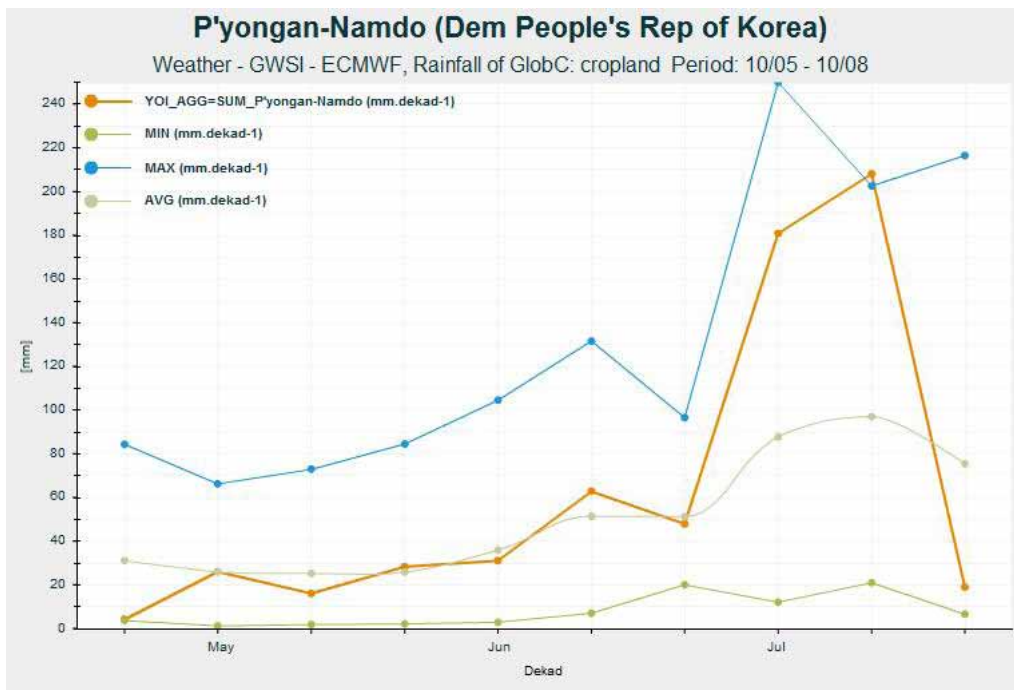
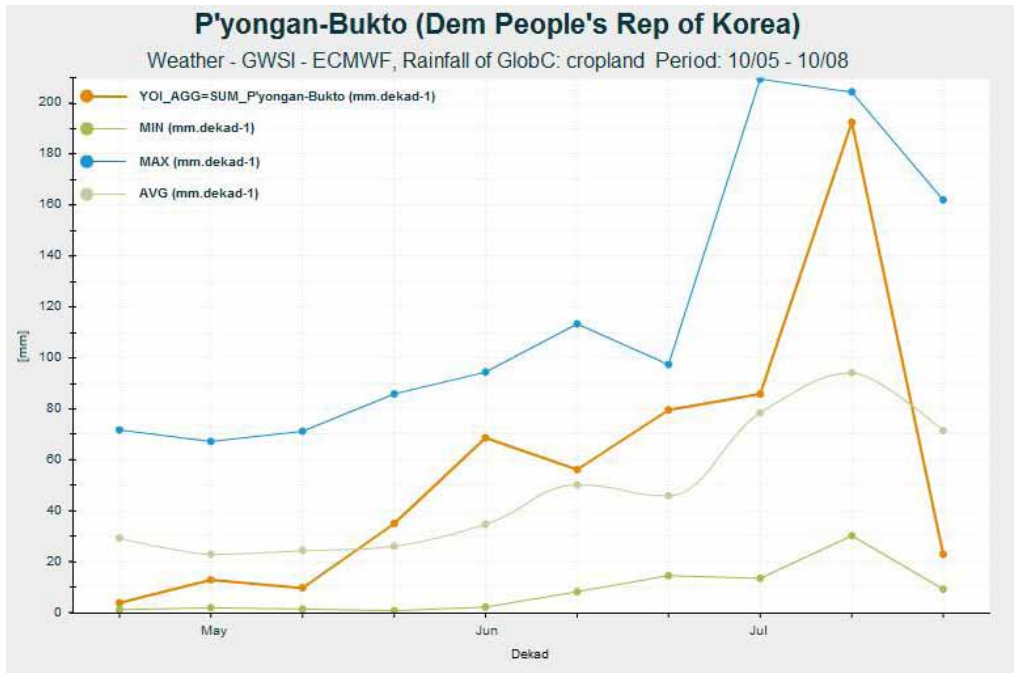
the next three months of the lean period to help maintain the food rations through the public distribution system. The harvest of the main season arrives in October-November.

An FAO/WFP Crop and Food Security Assessment Mission (CFSAM) will visit the country in late September to early October to estimate the 2012 food production, import requirements, and food aid for the 2012/13 marketing year (November/October), and assess vulnerability situation in the country

Figure 2. Estimated rainfall from 1st dekad of May to 1st dekad of August along with long term average, minimum and maximum in the selected provinces



(c) European Union 2012, source: Joint Research Centre



(c) European Union 2012, source: Joint Research Centre

Reference Date: 20-August-2012

FOOD SECURITY SNAPSHOT

- The 2012 wheat and maize production sharply reduced by drought and above normal temperatures
- Shortage of fodder adversely affecting livestock and livelihoods of small farmers
- Government has requested international assistance to support its rehabilitation efforts

The 2012 wheat and maize production sharply reduced by drought and above normal temperatures

Harvesting of the 2012 winter cereal crops, mainly wheat but also barley and rye, is completed. Winter crops account on average for about 40 percent of the total cereal production. The cropping season was negatively affected by below average rains and abnormal high temperatures from June in most growing areas of the country. Preliminary estimates indicate a 2012 wheat output of some 530 000 tonnes, a decline of 36 percent from the previous year's good level.

Drought conditions and excessive heat during spring and summer also affected spring cereal crops, mainly maize at the critical pollination stage. Recent FAO's field assessments anticipate sharply reduced maize yields and significant crop losses, which may reach 80 to 95 percent in some parts. Good precipitation was received in the first decade of August, but it is likely to have arrived too late to improve the crop situation. Weather forecast point to overall dry and hot conditions in the remaining of the month. The 2012 maize crop, to be harvested from September, is tentatively forecast at 850 000 tonnes, some 42 percent down on the bumper harvest of 2011.

Other important spring crops, mainly sunflower and sugar beet, were also hit by the adverse weather and significant lower yields than last year's are forecast. Overall, 90 percent of the country's farmland has been declared affected by drought by the State Hydro meteorological Service. The drought has exacerbated problems associated with the deterioration of irrigation infrastructure.

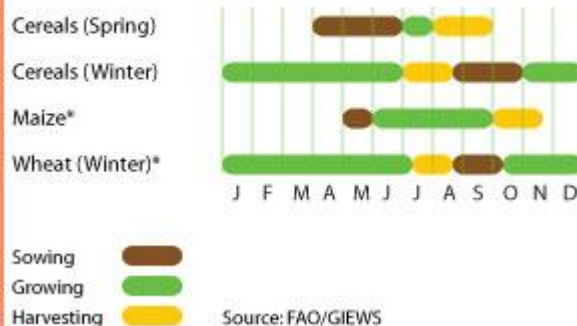
Wheat imports in 2012/13 (July/June) to increase only moderately

In spite of the significant decline in cereal production expected this year, import requirements are not expected to increase significantly. Adequate carry-over wheat stocks from last year's good harvest and high level of imports are likely to make up for most of the production deficit. The country has been exporting maize in recent years but official statements indicate a suspension of exports in marketing year 2012/13 (July/June).

Shortage of fodder affecting livestock and livelihoods of small farmers

The worst impact of the drought is on fodder availability and animal conditions, in particular in central and southern areas. Maize is mainly used for animal feed by the industry and by small farmers. Livestock is a key component of rural households' food security, providing nutrition and cash income. It is estimated that more than 90 percent of the livestock is owned and managed in small numbers. Shortages of fodder will affect,

Republic of Moldova Crop calendar (*major foodcrop)

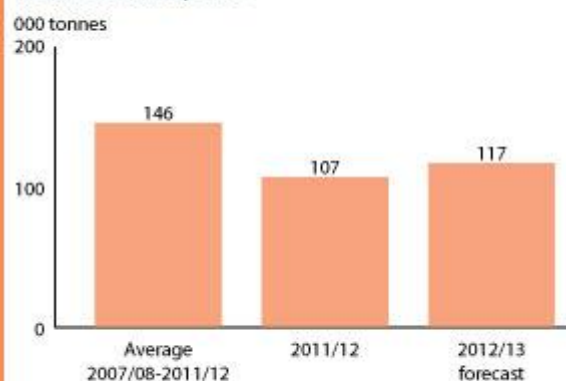


Republic of Moldova Cereal production

	2007-2011 average	2011	2012 forecast	change 2012/2011
	000 tonnes			percent
Maize	1 175	1 468	850	-42
Wheat	805	830	530	-36
Barley	202	230	150	-35
Others	20	25	19	-24
Total	2 202	2 553	1 549	-39

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Republic of Moldova Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

therefore, the livelihoods of rural families with a potential reduction of up to 45 percent in the number of animals.

The decrease on production of sunflower and sugar beet, important cash crops, will also have a negative economic impact.

Government to provide agricultural inputs assistance

The Government is planning to assist the affected vulnerable population with agricultural inputs -such as seeds and fertilizers- for the forthcoming winter cropping season, as well as fodder to avoid distress animal sales. The Republic of Moldova is a low-income food deficit country and has requested assistance from the international community to support its agricultural rehabilitation efforts.



India

Monsoon Update

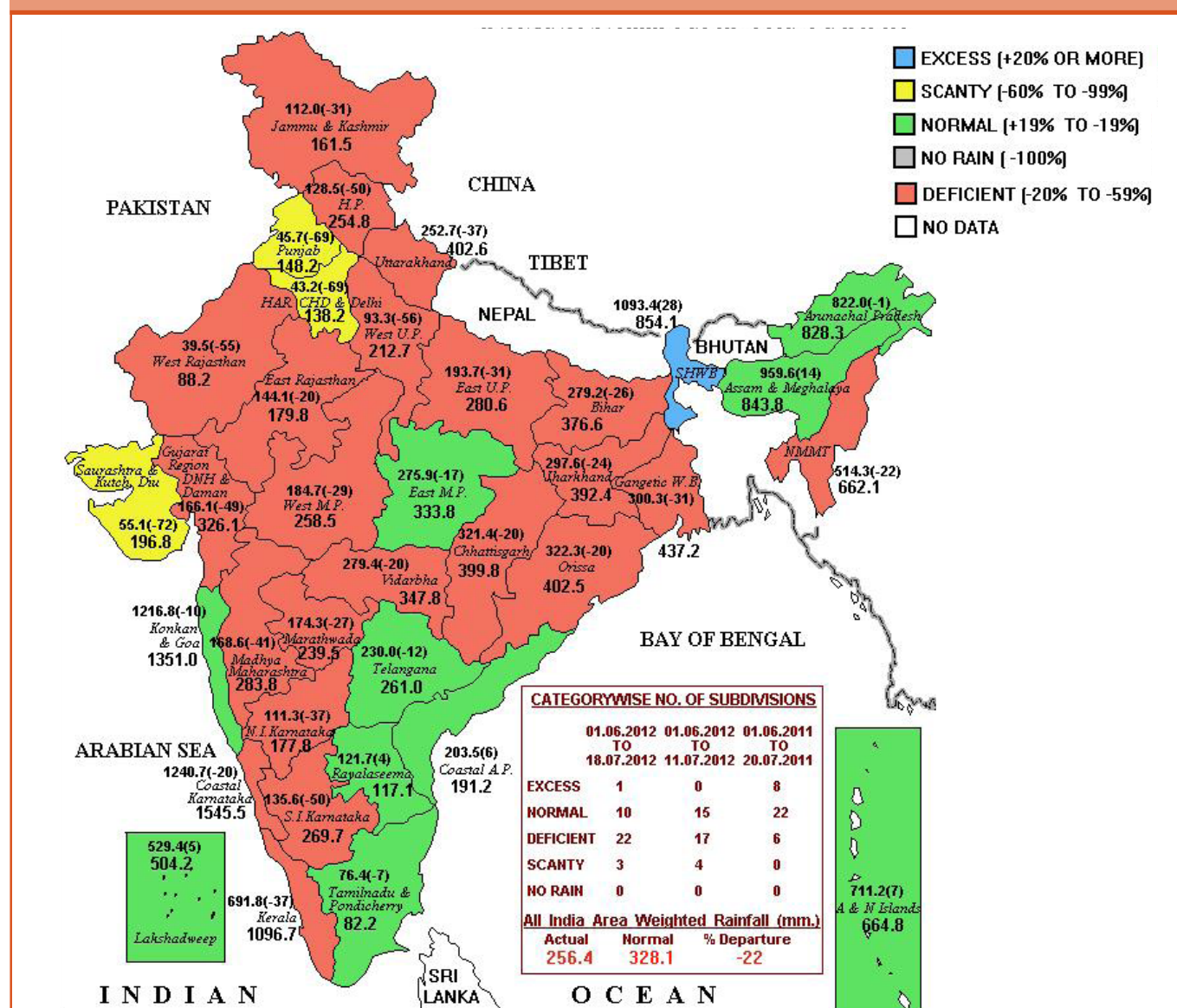
28 August 2012

Rains in August in many areas provided relief to Kharif season crops but in key rice growing areas cumulative precipitation still well below normal

The late onset of the 2012 summer monsoon, followed by a prolonged dry spell during the months of June and July in the main producing areas of the country (Figure 1) is expected to negatively affect production of the 2012 main Kharif season crops, including paddy, maize, sugarcane, pulses and oilseeds.

The southwest monsoon, which occurs from June to September, normally starts early June in the south and progresses northwards. It brings about three-quarters of the country's annual rainfall and is vital for the crops of the main Kharif season, as more than half the country's farmland is rain-fed.

Figure 1. Cumulative rainfall between 1st of June and 18th of July



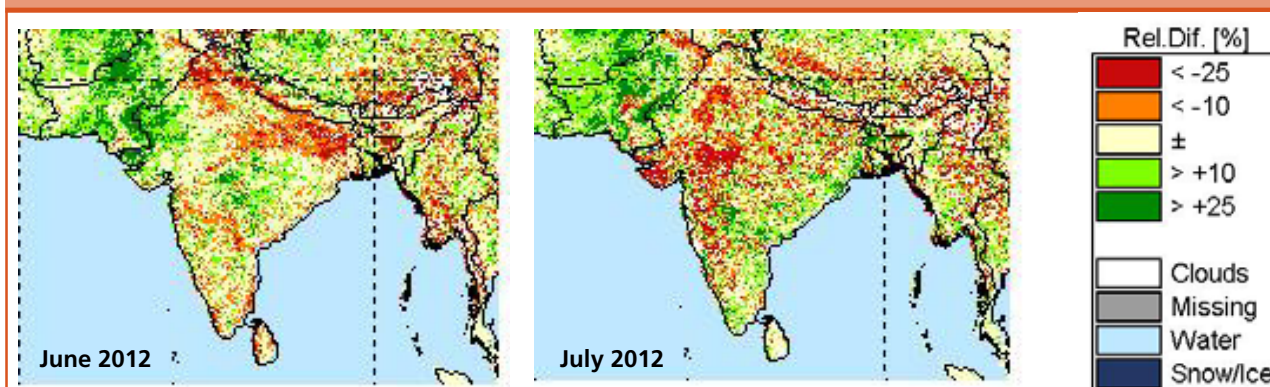
Notes: (a) Rainfall figures are based on operational data. (b) Small figures indicate actual rainfall (mm.), while bold figures indicate normal rainfall (mm). (c) Percentage departures of rainfall are shown in brackets.

Source: India Meteorological Department

According to the India Meteorological Department (IMD), the cumulative precipitation for the country as a whole between 1st June to 18th July, at the critical planting time, was 22 percent below the Long Term Average (50 years), including higher deficits in the northwest (-39 percent), central areas (-26 percent) and south Peninsula (-20 percent). Important crop producing states such as Punjab and Haryana in the north, Gujarat and Maharashtra in the west, as well as interior areas of Rajasthan and Karnataka, received poor rainfall, both spatially and temporally. The latter two states, have officially declared drought situation in some interior districts. Furthermore, reportedly India's reservoir levels are lower than last year's, affecting water supply for irrigation, hydroelectric power and urban population.

The Normalized Difference Vegetation Index (NDVI; Figure 4) confirms poor vegetation conditions in north and northeastern parts of the country during June, and north and northwestern areas in July, which represent important cereal growing regions.

Figure 2. Normalized Difference Vegetation Index (NDVI) June and July 2012



Source: MARSOP-JRC

The insufficient rains and shortages in irrigation facilities resulted in delayed and reductions of planting of the 2012 main season. According to the National Crop Forecasting Centre, as of 17th of August, 50.1 million hectares have been sown to food grains, some 7 percent below the corresponding period in 2011 (Table 1). Overall, the area sown nationally under all Kharif crops is estimated at 88.372 million hectares, some 6 percent below the previous year.

Normal rains were recorded since the beginning of August in many areas of the country, particularly in eastern regions. However, key rice northern and southern growing areas still show significant cumulative rains deficits. Overall, the latest national cumulative rainfall levels (1st June to 15th of August) were still some 15 percent below the Long Term Average (LTA) (Figure 3).

Production from the Kharif season amounts to about 53 percent of the total annual cereal production and about 88 percent of the main staple rice production. Prior to the dry spell, the Fourth Advance Estimates by the Ministry of Agriculture projected a record production of 104.3 million tonnes of milled rice, including 91.5 million tonnes for Kharif and 12.8 million tonnes for Rabi seasons, some 8.6 percent above the bumper crop the year before. On the other hand, maize production was officially forecast to reach 21.6 million tonnes (16.2 and 5.4 million tonnes for Kharif and Rabi seasons respectively), the same level as last year.

Table 1. Kharif crop area (million hectares)

Commodity	2011	2012 ¹	% change y/y
Rice	31.916	30.8	-3.6
Maize	7.005	6.945	-1
Cereals	50.083	46.573	-7
Oilseeds	16.743	16.077	-4

¹ As of 17 August 2012

This report is prepared by the **Global Information and Early Warning System (GIEWS)** of the Trade and Markets Division of FAO. The updates focus on developing anomalous conditions aimed at providing early warnings, as well as latest and more elaborate information than other GIEWS regular reports on the food security situation of countries, at both national and sub-national levels. None of the information in this report should be regarded as statements of governmental views.

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Enquiries may be directed to:

Global Information and Early Warning System (GIEWS)

Trade and Markets Division (EST)

Food and Agriculture Organization of the United Nations (FAO)

Viale delle Terme di Caracalla

00153 Rome, Italy

E-mail: GIEWS1@fao.org

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