No. 3 ■ September 2010

Crop Prospects and Food Situation

HIGHLIGHTS

- **International prices of grain have surged since the beginning of July** in response to drought-reduced crops in CIS exporting countries and a subsequent decision by the Russian Federation to ban exports. In September wheat prices were 60 to 80 percent higher than at the beginning of the season in July. However, prices are still one-third below their peaks in 2008. In the same period, the price of maize increased by about 40 percent, while that of rice by only 7 percent.
- **FAO's latest forecast indicates a 2010 global cereal production of about 2 239 million tonnes**, only 1 percent lower than last year and still the third largest crop on record. Reduced outputs of grains in CIS countries account for most of the decline.
- **At the current forecast level, the 2010 cereal production, coupled with large carry-over stocks, should be adequate to cover the projected world cereal utilization in 2010/11**. The world cereal stocks-to-use ratio at the end of marketing year 2010/11 will decline only marginally to 23 percent, still well above the 19.6 percent low level registered in the 2007/08 food crisis period.
- **In developing countries, the outlook for the 2010 cereal crops is generally favourable**. Good harvests are anticipated in **Eastern** and **Western Africa**, despite serious floods in parts. In **Southern Africa**, an above-average cereal crop was gathered earlier in the year. However, severe drought sharply reduced production in **North Africa**, particularly in **Tunisia** and **Morocco**.
- **In Asia, record cereals crops are anticipated in China and India**. **However, devastating floods damaged rice crops in Pakistan**, while dry weather is adversely affecting prospects in **Cambodia**, and **Lao People's Democratic Republic**. In **Latin America** and the **Caribbean**, a recovery in production from last year's reduced level is anticipated.
- **Despite lower import volumes in 2010/11, the cereal import bill for the Low-Income Food-Deficit Countries (LIFDC), as a group, is forecast to increase, as a result of higher international cereal prices**.
- **Prices of wheat and wheat products have increased in the past two months in some import-dependent countries in CIS Asia**. By contrast, prices of food have declined to pre-food crisis levels in **Eastern** and **Southern Africa**. In **Western Africa** prices remain at high levels despite recent declines in view of favourable crop prospects.
- **FAO's latest estimates indicate that 30 countries around the world are in need of external assistance** as a result of crop failures, conflict or insecurity, natural disasters, and high domestic food prices. The food and nutrition situation remains critical in parts of the Sahel.

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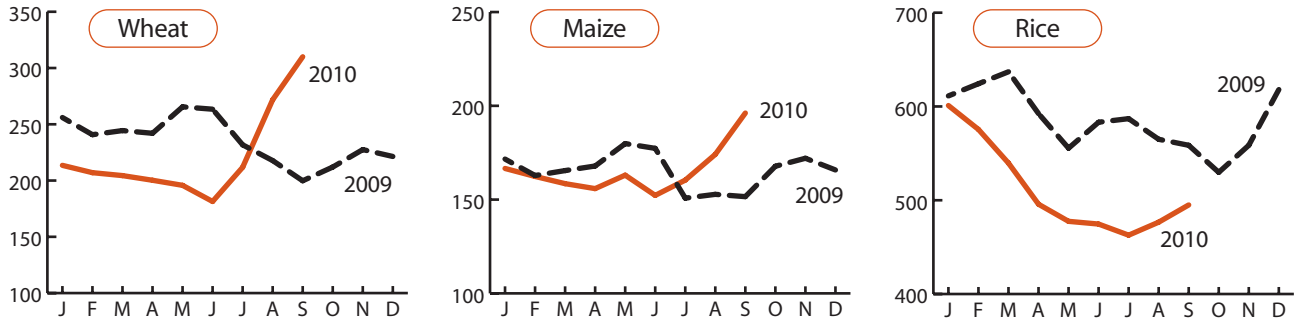
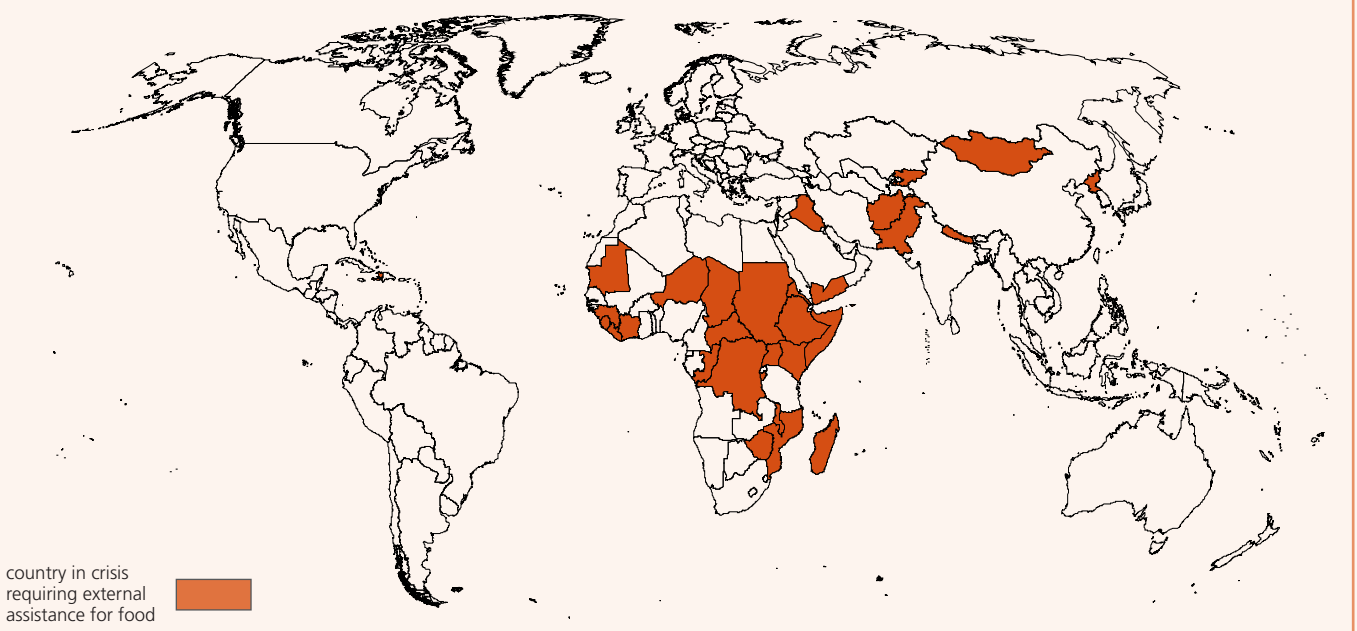
International cereal prices (benchmark monthly averages, USD per tonne)



Countries in crisis requiring external assistance for food[1]

World: 30 countries



AFRICA (21 countries)

Exceptional shortfall in aggregate food production/supplies

Mauritania ■
Several years of drought. Steep drop in production in 2009; 370 000 people in need of food assistance

Niger ■
About 7.1 million persons (48 percent of the population) in need of food assistance, due to sharp decline in 2009 cereal production and poor pastures

Zimbabwe ■
An estimated 1.68 million persons in rural and urban areas require food assistance. Economic constraints continue to restrict normal food access

Widespread lack of access

Eritrea ▲
High levels of food insecurity persist due to economic constraints and large numbers of internally displaced persons. Recent good rains improve pasture/water availability in previously dry pastoral areas

Liberia ■
Slow recovery from war-related damage. Inadequate social services and infrastructure, as well as poor market access

Sierra Leone ■
Slow recovery from war-related damage. Depreciation of currency led to higher inflation rates negatively impacting households' purchasing power and food security conditions

Somalia ▲
About 2 million people are in need of food assistance due to the ongoing conflict. Conditions improved following good cereal production in the 2009/10 secondary "deyr" and 2010 main "gu" seasons

Severe localized food insecurity

Burundi ▲
Chronic food insecurity persists in the north, due to a combination of factors, including poor cassava production

Central African Republic ■
Civil insecurity restricts access to agricultural land, while high and volatile prices impede food access

Chad ■
Large numbers of refugees located in southern and eastern regions - approximately 270 000 Sudanese and 82 000 from Central African Republic. Recent flooding led to localised crop losses

Congo ■
Influx of more than 100 000 refugees since the end of 2009, increased pressure on limited food resources

Côte d'Ivoire ■
Conflict-related damage. Agriculture seriously damaged in recent years due to the lack of support services in certain parts of the country (mainly in the northern regions)

Dem. Rep. of Congo ■
Civil strife, internally displaced persons, returnees and high food prices

Ethiopia ▲
Some 5.2 million people in need of food assistance in areas that had a poor "meher" harvest in 2009 and those suffering chronic malnutrition. Good 2010 "belg" harvest improved food security conditions

Guinea ■
Access to food is negatively affected by high prices and inflation rates

Kenya ▲
An estimated 1.6 million people are food insecure, mainly in north-western pastoralist and agro-pastoralist areas, and south-eastern and coastal lowlands. Bumper 2009/10 "short rains" harvest improved the food security situation

Madagascar ▲
Chronic food insecurity persists in southern municipalities, due to poor crop production, but market supplies improve on account of good national rice harvest

Malawi ✚
Severe crop losses recorded in southern districts due to insufficient rains. An estimated 1.06 million persons require food assistance

Mozambique ✚
About 450 000 persons in need of assistance, due to poor cereal harvests in southern and central regions

Sudan ■
About 6.4 million people in need of food assistance, due to a combination of factors, including civil strife (Darfur), insecurity (southern Sudan), reduced 2009 main season cereal crops and high food prices

Uganda ▲
An estimated 610 000 people need food assistance in the north and Karamoja region, mainly due to poor 2009 main season crops and insecurity

ASIA (8 countries)

Exceptional shortfall in aggregate food production/supplies

Iraq ■
Severe civil insecurity

Widespread lack of access

DPR Korea ▼
Economic constraints and lack of agricultural inputs continue, leading to inadequate food production and aggravated food insecurity

Mongolia ▲
Extreme cold *(Dzud)* in 2009/10 winter resulted in death of nearly six million heads of livestock out of a total of 44 million and has adversely affected the livelihoods of some 500 000 people

Severe localized food insecurity

Afghanistan ▲
Conflict and insecurity. Moderately food insecure areas are in the centre and north-east of the country

Kyrgyzstan ✚
Effects of social unrest, recent ethnic conflicts, internally displaced persons

Nepal ▲
Poor market access and transportation difficulties lead to pockets of food shortages and price volatility

Pakistan ▼
Severe flooding affected 20.6 million people causing damage to housing, infrastructure and crops

Yemen ■
Effects of recent conflict, internally displaced persons (about 330 000 people still in camps) and refugees

LATIN AMERICA AND THE CARIBBEAN (1 country)

Widespread lack of access

Haiti ▲
Food consumption improves, but levels of food insecurity remain higher than those prior to the earthquake

Countries with unfavourable prospects for current crops[2]

ASIA (3 countries)

Cambodia ✚
Delayed and erratic monsoon rains

Lao People's Dem. Rep. ✚
Delayed and erratic rains

Pakistan ✚
Severe flooding

Key - Changes since last report (May 2010)

No change ■ Improving ▲ Deteriorating ▼ New Entry ✚

Terminology

[1] **Countries in crisis 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.

[2] **Countries facing unfavourable prospects for current crops** are countries where prospects point to a shortfall in production of current crops as a result of the area planted and/or adverse weather conditions, plant pests, diseases and other calamities, which indicate a need for close monitoring of the crop for the remainder of the growing season.

Global cereal supply and demand brief

CEREALS

World production in 2010 still third highest on record despite a sharp drop in the CIS

The forecast for world **cereal production** in 2010 has been revised up slightly since the previous update (released on 1 September), to 2 239 million (including rice in milled terms). At this level, world cereal production in 2010 would be just 1 percent below the 2009 level and the third largest on record. A sharp decline in wheat and barley production, mainly in the CIS countries, accounts for most of the anticipated reduction.

High world prices and expectation of slower growth in demand for feed point to only a slight expansion in world **cereal utilization** in 2010/11, to 2 248 million tonnes, but nevertheless exceeding this year's expected world cereal production by 9 million tonnes. However, with relatively large **cereal inventories**, supplies would remain adequate and the ratio of world cereal stocks to utilization is forecast to drop by only 1 percentage point to 23 percent, thus still well above the 30-year low of 19.6 percent registered in 2007/08.

International **prices** of most cereals increased sharply in recent weeks. The FAO Cereal Price Index climbed to 182 points in August, its highest level since June 2009. Given the continuing increases in wheat and maize prices in particular, the index is likely to rise further in September.

World cereal **trade** in 2010/11 is forecast to contract slightly (by 1 percent), to 262 million tonnes, mostly reflecting a decrease in wheat shipments. In spite of this small decline in world trade because of higher grain prices, **the global cereal import bill** is projected to increase to USD 77 billion in 2010/11, 12 percent higher than 2009/10, but still down 28 percent from its peak in 2007/08.

WHEAT

Good production prospects in Australia improve wheat supply outlook

World wheat **production** is currently forecast to reach nearly 650 million tonnes, up 4 million tonnes from the previous forecast reflecting an increase in the forecast for this year's wheat crop in

Figure 1. World cereal production by type

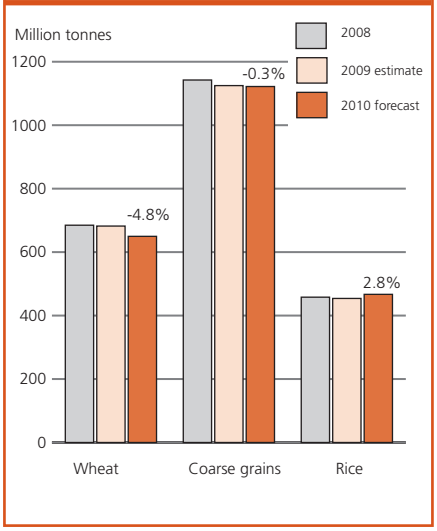


Table 1. Basic facts of world cereal situation
(million tonnes, rice in milled terms)

	2008/09	2009/10 estim.	2010/11 forecast		Change: 2010/11 over 2009/10 (%)
			1 Sep 2010*	24 Sep 2010	
PRODUCTION [1]					
World	**2 285.3**	**2 261.0**	**2 237.7**	**2 238.6**	**-1.0**
Developing countries	1 239.9	1 237.4	1 267.5	1 270.0	2.6
Developed countries	1 045.3	1 023.5	970.2	968.6	-5.4
TRADE [2]					
World	**281.5**	**264.8**	**261.1**	**262.2**	**-1.0**
Developing countries	72.0	66.3	73.7	74.4	12.2
Developed countries	209.5	198.6	187.4	187.7	-5.5
UTILIZATION					
World	**2 182.3**	**2 236.5**	**2 247.9**	**2 248.1**	**0.5**
Developing countries	1 333.1	1 358.0	1 386.1	1 386.6	2.1
Developed countries	849.2	878.5	861.8	861.4	-1.9
Per caput cereal food use (kg per year)	152.2	152.1	152.7	152.6	0.3
STOCKS [3]					
World	**518.1**	**540.6**	**527.1**	**524.5**	**-3.0**
Developing countries	349.8	370.1	378.8	380.9	2.9
Developed countries	168.4	170.5	148.3	143.6	-15.8
WORLD STOCK-TO-USE RATIO%	23.2	24.0	23.1	23.0	-4.2

Note: totals computed from unrounded data.

* Published on the FAO web site: http://www.fao.org/giews/english/shortnews/GlobalSD_update_01092010.pdf

[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.

Australia, boosted by favourable weather in recent weeks. However, the forecast world wheat production would still be 4.7 percent down from 2009, mostly reflecting the sharply reduced output in the main CIS producing countries, the Russian Federation in particular due to drought, as well as smaller crops in the EU and North Africa.

The forecast for world wheat **utilization** in 2010/11 has been adjusted upward slightly since the previous report, to 666 million tonnes. The growth in food use is likely to keep pace with the average population growth and food consumption could total 467 million tonnes. However, feed utilization of wheat is forecast to remain stagnated for the second consecutive season, at around 123 million tonnes.

Based on the latest production and utilization projections, the forecast for world wheat ending **stocks** in 2011 has been revised up to nearly 184 million tonnes, 3 million tonnes higher than previously anticipated but still down 9 percent from their 8-year high opening level. This month's higher forecast is primarily driven by likely increases in stocks held in Australia. The stock-to-use ratio for wheat in 2010/11 is currently put at 27.7 percent, down 2.5 percentage points from the previous season but 5.5 percentage points higher than the 30-year low registered in 2007/08. Given this season's relatively good supply situation in the five major exporting countries, the level of their closing stocks as a percentage of their total disappearance (domestic consumption plus exports) is now forecast at 18.6 percent. This represents a decline of almost 3 percentage points from the previous season but it is almost 7 percentage points above the 12 percent low in 2007/08.

The forecast for world wheat **trade** in 2010/11 (including wheat flour) has been increased by 1 million tonnes this month to 120 million tonnes, down nearly 5 percent from 2009/10. The increase from the previous report reflects the expectation of larger export supplies from Australia.

Table 2. World wheat balance
(million tonnes)

	2007/08	2008/09	2009/10 estimate	2010/11 forecast	
				1 Sep 2010*	24 Sep 2010
Production[1]	611	685	682	646	650
Supply[2]	772	829	861	845	851
Utilization	629	648	659	665	666
Trade[3]	112	139	126	119	120
Ending stocks[4]	144	179	201	181	184
- major exporters[5]	29	47	55	49	50
World stock- to-utilization ratio %	22.2	27.1	30.2	27.2	27.7

* Published on the FAO web site: http://www.fao.org/giews/english/shortnews/GlobalSD_update_01092010.pdf
[1] Data refer to the calendar year of the first year shown.
[2] Production plus opening stocks.
[3] July/June.
[4] May not equal the difference between supply and utilization due to differences in individual country marketing years.
[5] Argentina, Australia, Canada, the EU and the United States.

Figure 2. World cereal production and utilization

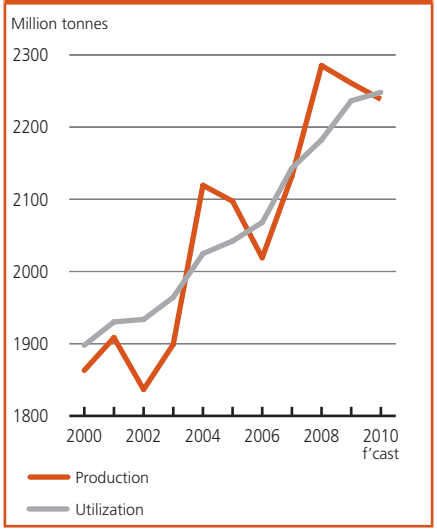
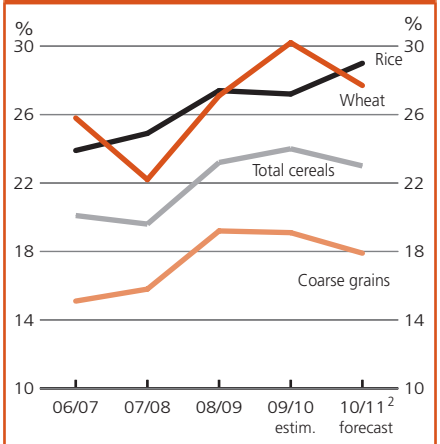
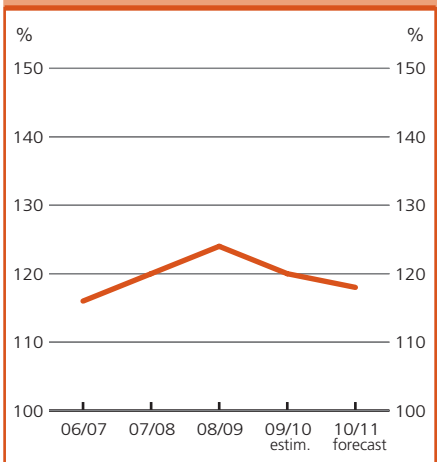


Figure 3. Ratio of world cereal stocks to utilization[1]



1 Compares closing stocks with utilization in following season.
2 Utilization in 2010/11 is a trend value based on extrapolation from the 1999/00-2009/10 period.

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



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

Wheat **shipments** from the five traditional major exporters are forecast to surge, making up for the sharp cut in forecast exports from the Russian Federation as well as the other major CIS exporting countries. The bulk of the increase in exports is forecast for the United States (up 8 million tonnes from the previous season on July/June basis) and Australia. On the **import side**, aggregate imports by countries in Asia are forecast down 8 million tonnes from the previous season mostly because of a decline in purchases by the Islamic Republic of Iran, reflecting a bumper crop and the recently announced decision by the Government to ban imports of wheat (along with several other food commodities). Lower imports of feed wheat by the Republic of Korea because of its high price would also contribute to the decline. By contrast, imports in Africa are forecast to increase with the largest expansion in North Africa where this year's production in several countries fell below last year's above-average to record levels, such as in Morocco and Tunisia.

Planting prospects for the 2010/11 winter grain crops in northern hemisphere still unclear

As of mid-September, planting of the winter grain crops for harvest in 2011 was underway in the northern hemisphere under generally favourable conditions but it is still too early to make any firm forecast of the final area likely to be sown. In the **United States**, where conditions are favourable so far, a recovery in the winter wheat area might be expected after last year's 40-year low, especially in the light of the recent increase in international wheat prices. However, with other factors such as the cost of inputs and prices of competing crops influencing farmers planting decisions, it is not yet clear just how much impact the higher wheat prices may have on the final planted area. Also in the **EU**, farmers will very likely be reviewing their planting intentions in the light of recent price rises on international markets. With the 2010 cereal area slightly below the average of the past five years there is reasonable scope for plantings to increase. In the eastern part of Europe, planting in the **Russian Federation** is significantly delayed because of persisting dry conditions. Beneficial rains arrived to some parts in late August, but soil moisture levels remain unfavourably low in many important producing areas. If significant precipitation does not arrive soon, the winter grain area and yield potential of crops could be significantly compromised. Planting has also been delayed in **Ukraine** because of exceptionally dry conditions

COARSE GRAINS

Supplies adequate in the face of weak demand

Global **production** of coarse grains is forecast to reach 1 122 million tonnes, around 3 million tonnes less than was reported earlier and now slightly below the previous year's level. The reduction in the latest forecast is entirely due to a small cut in the forecast for maize production in the United States to 334.3 million tonnes; although even after this reduction, it would still be the United States' largest crop on record. World maize production is forecast to reach 842 million tonnes, also a record and up 2.5 percent from the previous year's level. China, the world's second largest maize producer after the United States, is also expecting a record crop this year. By contrast, world production of barley is likely to register a sharp drop of almost 14 percent this year, falling to only 130 million tonnes and the lowest in almost four decades. This is mostly the result of a sharp drop in production in major producing countries of the CIS and the EU mostly because of unfavourable weather conditions.

World **utilization** of coarse grains in 2010/11 is forecast at 1 122 million tonnes, nearly unchanged from the previous season and almost matching the forecast for this year's production. Total feed use is expected to contract by almost 1.4 percent to 626 million tonnes with feed use of maize remaining stagnant at 468 million tonnes but feed use of barley declining by almost 6 percent to

Table 3. World coarse grain balance
(million tonnes)

	2007/08	2008/09	2009/10 estimate	2010/11 forecast	
				1 Sep 2010*	24 Sep 2010
Production[1]	1 081	1 142	1 125	1 125	1 122
Supply[2]	1 240	1 315	1 340	1 340	1 336
Utilization	1 072	1 090	1 125	1 122	1 122
Trade[3]	131	113	109	113	113
Ending stocks[4]	172	216	214	213	208
- major exporters[5]	69	81	72	63	58
World stock- to-utilization ratio %	15.8	19.2	19.1	18.4	17.9

* Published on the FAO web site: http://www.fao.org/giews/english/shortnews/GlobalSD_update_01092010.pdf

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

[2] Production plus opening stocks.

[3] July/June.

[4] May not equal the difference between supply and utilization due to differences in individual country marketing years.

[5] Argentina, Australia, Canada, the EU and the United States.

93 million tonnes, most of which in the Russian Federation. Food use of coarse grains is forecast to grow by nearly 2 percent to 195 million tonnes with the bulk of the increase occurring in the sub-Saharan region of Africa following this year's expected increase in production. The industrial usage of coarse grains is also anticipated to expand further, albeit at a slower rate than in the past few years mostly on expectation of a deceleration in maize-based ethanol production in the United States.

Global coarse grain **stocks** by the close of seasons in 2011 are forecast to reach 208 million tonnes, down 3 percent from their relatively high opening level. The world stocks-to-use ratio for coarse grains in 2010/11 is expected to fall just below 18 percent, 1 percentage point below 2009/10 but about 3 percentage points above its low in 2006/07. However, as a sign of supply tightening, the major exporters' stocks-to-disappearance ratio is forecast to slip even further, to only 10 percent. This compares to 12.5 percent in 2009/10 and the previous low of 12 percent in 2006/07 and 2007/08. The sharp decline in maize inventories in the United States to their lowest levels since 2004, as well as a sharp reduction in maize and barley stocks in the EU are among the main factors contributing to this drop in the ratio.

World **trade** in coarse grains in 2010/11 is forecast to reach 113 million tonnes, up 4 percent from the previous season. The sharp increase in demand for maize in the absence of adequate export supplies of barley would account for most of the increase. World maize trade is forecast to approach 90 million tonnes, up nearly 8 million tonnes from 2010/11 and the second highest on record. Coarse grains exports from the United States are forecast to increase by at least 2 million tonnes, to over 50 million tonnes. Larger shipments are also forecast for Argentina, more than offsetting anticipated declines in sales of barley and maize from exporters in the CIS and in the EU. The bulk of the anticipated expansion in world imports is expected in Asia where several countries are forecast to purchase more coarse grains instead of the high-priced feed wheat. Higher imports are also forecast for several countries in North Africa, especially Egypt and Tunisia as well as in Central America, Mexico in particular.

RICE

Production in 2010 predicted at a record, trade slightly lower

From September onwards, the major producing countries in the northern hemisphere will be harvesting their main 2010 paddy crops, which normally constitute the bulk of the season's output. Over the past few months, several of them faced problems of drought, followed by floods, which marred expectations for the volume and quality of the rice to be harvested. Consequently, FAO has lowered its 2010 global **production** forecast by about 5 million tonnes to 467 million tonnes milled equivalent although this still represents a 3 percent increase from the 2009 season and a new historical record. Much of the deterioration in the 2010 global production prospects is on account of Pakistan, where floods have caused havoc in the Punjab and Sindh, the two largest rice producing provinces. China also cut its forecast for production in 2010, after poor weather conditions in the southern regions reduced the size of its first, early rice, crop by 6 percent compared to last year.

According to the current outlook, rice output in Asia is set to rebound by over 3 percent to 634 million tonnes, sustained by a recovery in India, now foreseen to reap a record crop on the back of good monsoon rains. Likewise, Japan, Nepal and the Philippines, which all faced some reduction in output in 2009, are anticipated to recoup much of the shortfalls over the current season, while Bangladesh, Indonesia, the Islamic Republic of Iran, Sri Lanka, and to a lesser extent Viet Nam, may continue to witness substantial increases. Although only marginally higher than last season, China's latest forecast puts the country's production at a record. On the negative side, Cambodia, the Democratic People's Republic of Korea and the Republic of Korea, the Lao People's Democratic Republic, Myanmar, Pakistan are predicted to harvest smaller crops, largely reflecting

Table 4. World rice balance
(million tonnes, in milled terms)

	2007/08	2008/09	2009/10 estimate	2010/11 forecast	
				1 Sep 2010*	24 Sep 2010
Production[1]	440	458	454	467	467
Supply[2]	544	569	578	592	592
Utilization	436	445	452	460	460
Trade[3]	30	29	30	29	29
Ending stocks[4]	111	124	125	133	133
- major exporters[5]	27	33	26	28	28
World stock- to-utilization ratio %	24.9	27.4	27.2	28.9	29.0

* Published on the FAO web site: http://www.fao.org/giews/english/shortnews/GlobalSD_update_01092010.pdf

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

[2] Production plus opening stocks.

[3] January/December.

[4] May not equal the difference between supply and utilization due to differences in individual country marketing years.

[5] India, Pakistan, Thailand, the United States and Viet Nam.

adverse weather conditions. In the case of Pakistan, the inundation of large tracts of land is now gauged to result in a 2.4 million tonne rice loss, depressing output to 5 million tonnes (milled rice basis) this season. In the other regions, the production outlook is generally positive for Western and Eastern African countries, most of which are heading towards large harvests. However, production is likely to contract in Egypt, where government restrictions on water use have fostered a cut in plantings. As for countries in southern Africa, where the bulk of the 2010 crops have been harvested, production is set to reach a record in Madagascar but to fall in Mozambique, reflecting drought problems over the season. A late arrival of the rains, followed by excessive precipitation, also impaired crops in South America, in particular, in Bolivia, Brazil and Uruguay. In the rest of the world, the season is expected to end positively in Australia, the European Union, the Russian Federation and, especially, in the United States, which is now foreseen to gather a record crop.

World **trade** in rice may decline to 29 million tonnes in 2011, 1 million tonnes or 3.3 percent less than the current estimate for 2010. The contraction mainly reflects expectations of reduced **imports** by Asian countries, especially Bangladesh, China, Indonesia and the Philippines, which are now foreseen to harvest bumper crops in 2010. This, along with a strengthening of international prices, is likely to cut rice flows into the region to 13.1 million tonnes, down from an estimated 13.8 million tonnes in 2010. In Africa, imports are forecast to remain in the order of 9.8 million tonnes. Among major importers, Nigeria and the Côte d'Ivoire are anticipated to maintain their volume of purchases and South Africa, Kenya and Senegal may increase theirs, while they may be reduced in Madagascar and Mozambique. In Latin America and the Caribbean, current forecasts point to a cut of deliveries to Brazil and Venezuela, with little change foreseen in the rest of the region. Imports to the EU are now forecast in the order of 1.2 million tonnes, up from 1.1 million tonnes for 2010.

The expected reduction in world **exports** in 2011 reflects anticipation of reduced shipments from Cambodia, Viet Nam and especially Pakistan, all of which are likely to face a tightening of supplies. By contrast, Brazil, India and Thailand might expand their sales. In the case of India, the increase could be much more than currently anticipated were the government to lift the current restrictions on exports of non-basmati rice. Shipments from the United States are officially forecast in the order of 3.6 million tonnes, marginally higher than estimated for 2010.

Under the current positive prospects for 2010/11 crops, global production is expected to outstrip world rice **consumption**, estimated in the order of 460 million tonnes, allowing for an increase in **world reserves** from 125 million tonnes in 2010 to 133 million tonnes in 2011. Much of the build-up is anticipated to be concentrated in the traditional exporting countries, especially China but also India, on the back of record 2010 crops. In India, large government purchases were reported to have boosted public stocks to 24.3 million tonnes on 1 July, well above the buffer norm of 9.8 million tonnes for that date. Production gains are also forecast to boost stocks in the United States. However, rice inventories in several key exporting countries, such as Egypt, Myanmar, Pakistan, Thailand and Viet Nam, are anticipated to shrink. Overall stocks held by importing countries look set to remain stable compared with last year.

Prices

International cereal prices strengthen further in September

International **wheat** prices continue to rise. In August, markets reacted to the introduction of an export ban in the Russian Federation to last from mid-August until 31 December. An announcement on 2 September that the ban could remain in place until the next harvest in 2011 fuelled further increases in world prices. In the first three weeks of September, the price of United States' wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 309 per tonne, up 55 percent from the September average last year. Wheat prices are however still 36 percent below March 2008, when they peaked to an all-time high (in nominal terms). The hike in European wheat export prices has proven even more pronounced, some rising by over 80 percent driven by a sudden shift in import purchases from the Black sea region, to the EU-origin (namely French and German) wheat. While the recent report of much better than earlier expected production prospects in Australia helped to ease prices temporarily the expectation of overall tighter supplies and the recent strengthening of maize prices have underpinned wheat markets, leading to firmer prices. As of the third week of September, the CBOT wheat futures for December 2010 delivery approached at USD 264 per tonne. This was at least 12 percent below the 23-month high in early August when the Russian Federation announced a ban on exports, but nearly 50 percent above the corresponding period a year ago.

Coarse grain prices have also increased significantly since the start of the season. Barley prices rose the sharpest, especially during July and August with confirmation of exceptionally tight supplies in the Black Sea region and shortfalls in the EU. At over USD 250 per tonne, barley prices (feed barley) have nearly doubled from last year. The increase in maize prices accelerated during the second half of August and into September, especially after the downward adjustment to the forecast for maize production in the United States. In the first three weeks of September, the price of United States' maize (No. 2 Yellow, Gulf) averaged USD 204 per tonne, the highest since September 2008 but still 27 percent

below the peak reached in June 2008. Prices in the futures market have also increased sharply and by the third week of September, the CBOT maize futures for December 2010 delivery USD 199 per tonne, up 30 percent since the start of the current season.

After several months of relative stability, **rice** prices gathered strength between June and August 2010 and especially in September, when the FAO Rice Price Index averaged 232, up from 217 in August. The upward pressure on world rice prices intensified in September, on concerns over the impact of floods on Pakistan, which, in 2009, had become the third largest international rice supplier on par with the United States. Rice prices were further underpinned by high international quotations for wheat, which encouraged a shift of importers towards rice. For instance, the benchmark Thai white rice 100%B increased from USD 466 per tonne in July to USD 472 per tonne in August and USD 496 per tonne in the first three weeks of September. The launching of government import tenders in Bangladesh and Iraq lifted even more the lower quality Indica rice, as illustrated by the strong increase of the price of Viet Nam rice, (25 percent broken) from USD 325 per tonne in July to USD 415 per tonne in the first three weeks of September. Prices of Japonica and Aromatic rice also registered gains.

Table 5. Cereal export prices*
(USD/tonne)

	2009	2010				
	Sept.	May	June	July	Aug.	Sept.
United States						
Wheat[1]	200	196	181	212	272	309
Maize[2]	152	163	152	160	174	204
Sorghum[2]	152	164	156	168	185	217
Argentina[3]						
Wheat	208	244	206	212	277	297
Maize	163	170	163	171	198	230
Thailand[4]						
Rice, white[5]	559	475	474	466	472	496
Rice, broken[6]	307	322	327	345	373	408

*Prices refer to the monthly average. For September 2010, three weeks average.

[1] No.2 Hard Red Winter (Ordinary Protein) f.o.b. Gulf.

[2] No.2 Yellow, Gulf.

[3] Up river, f.o.b.

[4] Indicative traded prices.

[5] 100% second grade, f.o.b. Bangkok.

[6] A1 super, f.o.b. Bangkok.

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

Cereal production of LIFDCs as a group forecast to increase slightly in 2010

The aggregate cereal production of the 77 LIFDCs is forecast to rise by 2 percent in 2010. In the largest countries, **China** and **India**, bumper cereal crops are in progress but when they are excluded from the group, the aggregate cereal production of the remaining LIFDCs shows only a marginal increase, following two years of strong growth. However, large stocks are estimated in several LIFDCs and a drawdown of inventories is anticipated in marketing year 2010/11 in order to maintain per capita food consumption levels and a projected increase in feed use.

At the regional level, however, there are some marked differences in the 2010 cereal production situation. In Africa, a sharp decline in cereal production is estimated in the North Africa subregion, reflecting a devastating drought in **Morocco** where the output is estimated one-third below its record level of last year. By contrast, a record aggregate cereal harvest - better than earlier anticipated - is estimated in Southern Africa, despite poor outcomes in **southern parts** of **Madagascar**, **Mozambique**, **Malawi** and **Zimbabwe**. In Eastern, Western and Central Africa, where the 2010 main season harvests have just started or are about to start, notwithstanding the serious localized damage to households and crops caused by floods this season, the abundant rains have proved to be beneficial overall for cereal production.

In Asia, the 2010 cereal output is estimated down from the 2009 bumper levels in countries of CIS Asia, particularly in **Kyrgyzstan, Tajikistan, Georgia** and **Armenia**. In the Near East, unfavourable growing conditions also reduced wheat production in the **Syrian Arab Republic.** All these countries are heavily dependent on wheat imports and therefore will be negatively affected by the current higher prices of the commodity in the export markets. In Far East Asia, the outlook for this year's cereal output is generally favourable but poor rice harvests are anticipated in **Pakistan** due to severe floods, and in drought-affected **Cambodia** and **Lao People's Democratic Republic**.

Similarly, in Central America and the Caribbean, despite severe localized floods good outputs are expected in **Nicaragua** and **Honduras**. In **Haiti**, a satisfactory cereal crop, although 10 percent lower than the 2009 record, was gathered this year.

In **Moldova**, the only LIFDC in Europe, unfavourable weather reduced the 2010 cereal output.

Cereal imports to decline in 2010/11 but import bill to increase

At the current forecast production levels and relatively comfortable levels of carry-over stocks, the cereal imports of the LIFDCs, as a group, in marketing year 2010/11 or 2011 are forecast close to 86 million tonnes, lower than in the previous two years. A sharp increase is forecast in **Morocco** which last year imported 3.7 million tonnes of cereals and this year is forecast to import 5.8 million tonnes. However, stagnant or lower levels of imports are expected in most other LIFDCs.

In spite of the lower volumes of cereal imports by LIFDCs this season, their import bill is forecast to increase by 8 percent from 2009/10 to USD 27.8 billion. This follows a decrease of 15 percent in the previous season. The anticipated increase

Table 6. Basic facts of the Low-Income Food-Deficit Countries (LIFDCs)[1] cereal situation (million tonnes, rice in milled basis)

	2008/09	2009/10	2010/11	Change: 2010/11 over 2009/10 (%)
Cereal production[2]	**946.8**	**953.0**	**971.4**	**1.9**
excluding China Mainland and India	309.8	327.2	328.7	0.5
Utilization	**984.4**	**1 003.6**	**1 026.8**	**2.3**
Food use	676.3	684.7	697.8	1.9
excluding China Mainland and India	291.0	296.7	303.4	2.3
Per caput cereal food use (kg per year)	156.0	155.7	156.3	0.4
excluding China Mainland and India	159.4	159.4	159.7	0.2
Feed	174.4	178.7	184.1	3.0
excluding China Mainland and India	47.0	49.1	50.9	3.7
End of season stocks[3]	**291.9**	**314.9**	**327.8**	**4.1**
excluding China Mainland and India	56.4	63.6	61.2	-3.8

[1] Includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 735 in 2006).

[2] Data refer to calendar year of the first year shown.

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

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

in the import bill would be on account of higher prices of wheat and coarse grains, while the cost of rice imports may actually decrease by around 8 percent because of the anticipated decline in the volume of rice imports. The forecast cereal import bill of the LIFDCs is still 36 percent below the record level of 2007/08.

Prices of wheat products already increasing in some importing countries

The higher international wheat prices will affect especially importing countries where wheat is a main staple. These include countries in North Africa – particularly **Egypt** the world's primary importer - the Near East, CIS Asia and South America. The impact of higher international wheat prices on consumers will depend on policies in place in individual countries.

Prices of wheat and wheat flour have already increased markedly in July and August in some LIFDCs, including **Kyrgyzstan** (19 percent), **Tajikistan** (22 percent) and **Mongolia** (23 percent) that depends on imports from Kazakhstan and the Russian Federation, but also in **Bangladesh** (21 percent). Despite large supplies of wheat, prices of imported wheat flour have also risen in **Afghanistan** (24 percent on average), and most recently in **Pakistan** (8 percent on average in the first week of September). In Latin America, prices of wheat flour remain generally stable. In **Mozambique**, the increase of 30 percent in the regulated price of bread in early September was revoked by the Government following serious civil disturbances.

Overall, a less immediate impact of the high wheat export prices is foreseen in sub-Saharan Africa, where maize and other coarse grains are the main staples. In Eastern and Southern Africa, prices of cereals decreased reflecting the 2010 good harvests and are at below pre-food price crisis level. The main exception is **Sudan**, where despite recent declines, prices of the staple sorghum remain at high levels. In Western Africa prices

Table 7. Cereal production[1] of LIFDCs
(million tonnes)

	2008	2009	2010	Change: 2010 over 2009(%)
Africa (43 countries)	**123.7**	**128.2**	**129.5**	**1.0**
North Africa	26.6	30.6	27.0	-11.8
Eastern Africa	32.9	32.3	35.1	8.7
Southern Africa	11.9	14.8	15.4	4.1
Western Africa	49.1	47.5	48.6	2.3
Central Africa	3.3	3.1	3.4	9.7
Asia (25 countries)	**818.4**	**820.7**	**838.0**	**2.1**
CIS in Asia	13.1	14.5	14.2	-2.1
Far East	796.2	792.1	809.6	2.2
- China (Mainland)	419.7	421.9	424.1	0.5
- India	217.3	204.0	218.6	7.2
Near East	9.0	14.1	14.2	0.7
Central America (3 countries)	**1.8**	**1.9**	**1.9**	**0.0**
Oceania (5 countries)	-	-	-	-
Europe (1 country)	**3.0**	**2.2**	**1.9**	**-13.6**
LIFDC (77 countries)	**946.8**	**953.0**	**971.4**	**1.9**

[1] Includes rice in milled terms. '-' means nil or negligible.
Note: Totals computed from unrounded data.

Table 8. Cereal import position of LIFDCs
(thousand tonnes)

	2008/09 or 2009	2009/10 or 2010				2010/11 or 2011	
		Requirements[1]		Import position[2]		Requirements[1]	
	Actual imports	Total imports:	*of which food aid*	Total imports:	*of which food aid pledges*	Total imports:	*of which food aid*
Africa (43 countries)	**46 809**	**42 441**	**2 733**	**33 373**	**1 758**	**43 149**	**2 540**
North Africa	20 767	18 897	0	18 897	0	20 216	0
Eastern Africa	8 795	7 450	1 744	5 785	1 158	6 902	1 761
Southern Africa	3 667	2 995	372	2 995	372	2 797	302
Western Africa	11 651	11 152	449	5 099	201	11 313	332
Central Africa	1 930	1 947	168	597	28	1 921	145
Asia (25 countries)	**45 144**	**43 975**	**946**	**41 126**	**586**	**40 127**	**989**
CIS in Asia	6 219	5 271	29	5 271	29	5 244	40
Far East	22 192	23 302	645	21 964	325	20 768	859
Near East	16 733	15 402	272	13 891	233	14 115	90
Central America (3 countries)	**1 774**	**1 854**	**68**	**1 854**	**68**	**1 871**	**168**
Oceania (5 countries)	**391**	**391**	**0**	**192**	**0**	**401**	**0**
Europe (1 country)	**102**	**86**	**0**	**86**	**0**	**115**	**0**
Total (77 countries)	**94 220**	**88 746**	**3 748**	**76 630**	**2 413**	**85 662**	**3 697**

[1] The import requirement is the difference between utilization (food, feed, other uses, export plus closing stocks) and domestic availability (production plus opening stocks).
[2] Estimates based on information available as of late August 2010.
Note: Totals computed from unrounded data.

remain also high , particularly in **Niger** and parts of **Chad**, although they decreased in early September in some markets. In Asia, price trends for rice, the main food in the region, are mixed. In **Bangladesh** and **Vietnam** prices have increased in August and early September but they have declined in the **Philippines**, **Thailand** and **Sri Lanka**. In Central America, prices of the main staple maize slightly increased in July but are lower than one and two years ago.

Table 9. Cereal import bill in LIFDCs by region and type
(July/June, USD million)

	2005/06	2006/07	2007/08	2008/09	2009/10 estimate	2010/11 f'cast
LIFDC	**16 481**	**22 889**	**37 670**	**30 431**	**25 814**	**27 846**
Africa	8 280	10 437	19 228	15 200	12 662	14 177
Asia	7 827	11 954	17 518	14 601	12 525	12 977
Latin America and Caribbean	288	397	630	474	480	522
Oceania	77	92	171	121	119	131
Europe	9	10	123	35	29	40
Wheat	10 081	13 422	22 992	20 174	15 085	17 174
Coarse grains	2 254	3 311	4 442	4 377	3 399	3 900
Rice	4 147	6 156	10 236	5 880	7 330	6 771

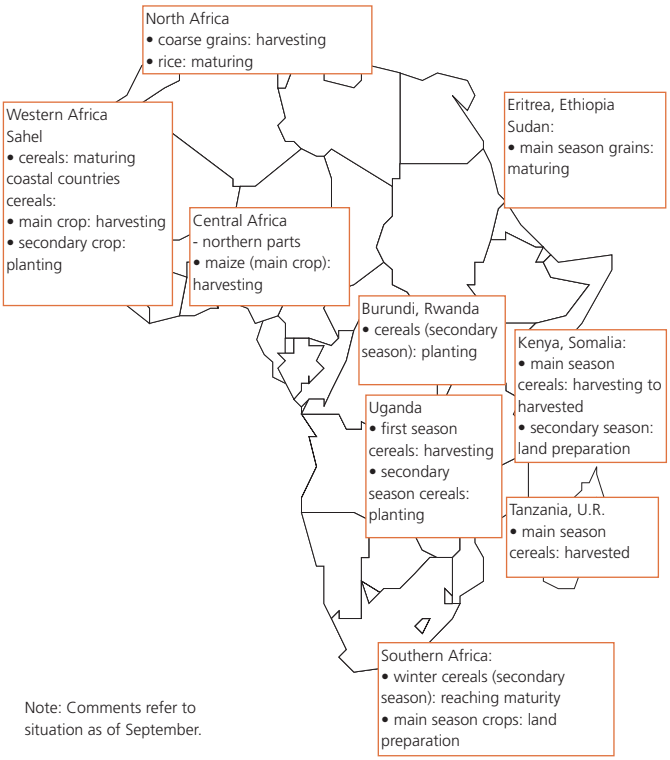
Regional reviews

Africa

North Africa

Cereal output severely reduced by drought in Tunisia and Morocco

Harvesting of the 2010 winter crops (wheat and barley) has been completed, spring coarse grains (maize and sorghum) are presently being harvested in Egypt and harvesting of paddy is about to start. Aggregate wheat output for the subregion is provisionally estimated at 16.6 million tonnes, 18 percent down from the good crop of 2009 and close to average. This is the result of insufficient soil moisture at planting and subsequent erratic rains in the main growing areas of **Morocco** and **Tunisia**, which adversely affected yields in these countries. In **Tunisia,** wheat output is estimated to have dropped by about 45 percent compared to 2009 and 35 percent compared to the five year-average, the lowest level of the past eight years. In **Morocco**, wheat production is estimated to be 36 percent below last year's good crop but close to average. By contrast, in **Algeria**, a good wheat crop is expected for the second year running although well below the record of 2009. In **Egypt**, the largest producer in the subregion, where most of the wheat is irrigated, wheat production is provisionally estimated at 8.6 million tonnes, which is close to last year's good crop. The coarse grains crop for the subregion is provisionally estimated at 13.2 million tonnes, about 8 percent above the five-year average.



Note: Comments refer to situation as of September.

High international wheat prices will have serious impact on food import bill

North African countries rely heavily on wheat imports from the international market to cover their consumption needs, with **Egypt** being the world's largest wheat importer, importing about 10 million tonnes of wheat in marketing year 2009/10 (July/June). **Algeria**, **Morocco** and **Tunisia** imported about 4.7 million, 2 million and 1.4 million respectively, in spite of the bumper crops gathered in 2009. Imports levels are anticipated to be much higher during 2010/11 in countries affected by a reduced crop this year. Consequently, the recent Russian ban on wheat exports and subsequent sudden sharp increase in export prices has raised serious concerns over the food supply outlook in the subregion. The major impact will be on countries' food import bills.

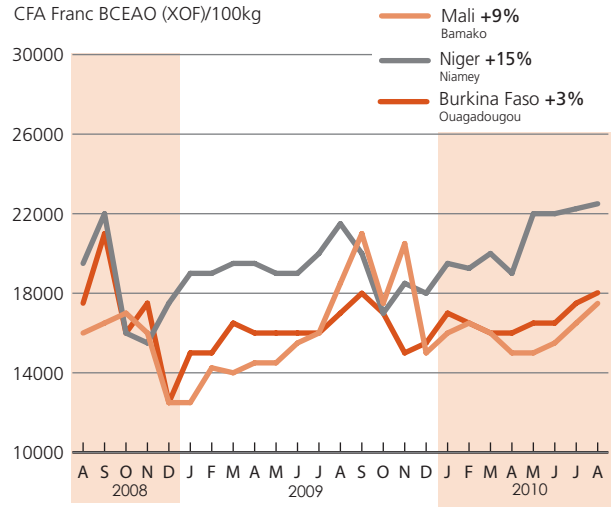
In **Egypt**, where provision of subsidized bread is crucial to Government food policy and the food security of the poor, over two-thirds of wheat imports had been coming from Russia. Due to the country's safety net programme, however, the main impact of the wheat price spike has been an increase in the non-subsidized wheat flour price which has caused prices of wheat products such as pasta, biscuits and cookies to go up. The cost of the Government's bread subsidy programme will also be seriously affected. The sudden rise in international wheat prices occurred

Table 10. North Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
North Africa	**14.3**	**20.2**	**16.6**	**10.9**	**15.3**	**13.2**	**7.3**	**5.6**	**4.5**	**32.5**	**41.1**	**34.3**	**-16.5**
Algeria	1.6	3.6	3.0	0.6	2.5	1.5	-	-	-	2.2	6.0	4.5	-25.0
Egypt	8.0	8.5	8.6	8.4	8.0	8.2	7.3	5.5	4.5	23.6	22.0	21.3	-3.2
Morocco	3.7	6.3	4.0	1.5	3.9	3.0	-	-	-	5.2	10.2	7.1	-30.4
Tunisia	0.9	1.7	0.9	0.3	0.9	0.3	-	-	-	1.2	2.5	1.2	-52.0

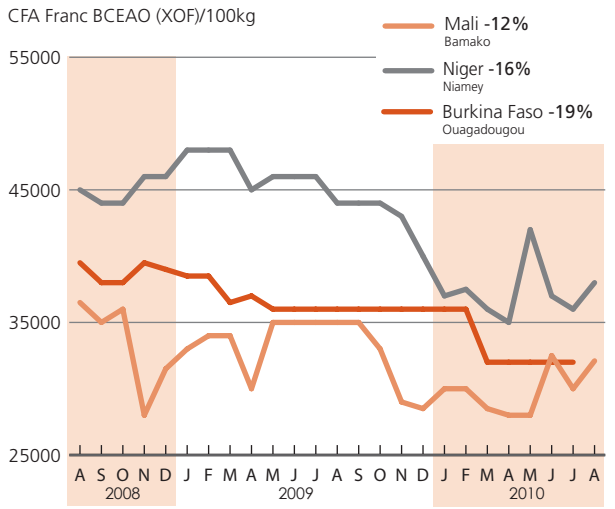
Note: Totals computed from unrounded data, '-' means nil or negligible.

Figure 5. Millet prices in selected Western African markets



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

Figure 6. Imported rice prices in selected Western African markets



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

against a background of increasing food prices, notably of rice and meat. Rice prices increased by 14 percent in July, leading to an overall increase of 31 percent since May 2010. The recent jump in rice prices was driven by a lower supply following the Government efforts to reduce area planted to rice in order to restrict water use.

Western Africa

Overall crop prospects favourable in the Sahel but uncertain in coastal countries

In the **Sahel region**, rains and soil moisture have been generally adequate to allow satisfactory development of the 2010 crops since the beginning of the growing season in June, despite localized flooding. The outlook for the harvest from October is generally favourable. By contrast, in the **coastal countries** of the Gulf of Guinea, precipitation has been irregular in several areas, including parts of **Nigeria**, the largest producer in the subregion, whose agricultural sector can strongly affect the food supply position of its neighbouring Sahel nations.

Substantial localized flooding has been reported across the subregion in the past months with considerable human casualties and damage to crops and livestock, notably in **Niger**, the most affected country, where over 226 000 people are estimated to be affected and about 77 000 animals killed mostly in the northern Agadez. In **Chad** and **Burkina Faso,** over 108 000 and 105 000 people have been affected respectively, according to OCHA. Floods have also affected parts of **Guinea-Bissau, Ghana**, **Nigeria** and **Liberia.** By contrast, parts of **Côte d'Ivoire**, **Ghana** and **Nigeria**, have been affected by dry spells, which may reduce yield potential in these important regional food producing countries.

The food situation remains critical in the eastern Sahel region

Food access remains difficult due to persisting high food prices, notably in the eastern Sahel region. In **Niger**, cereal prices have

Table 11. Western Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals [1]			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Western Africa	**42.5**	**40.5**	**41.1**	**10.2**	**11.0**	**11.8**	**52.8**	**51.6**	**52.9**	**2.5**
Burkina Faso	4.2	3.4	3.7	0.2	0.2	0.2	4.4	3.6	4.0	11.1
Chad	1.6	1.4	1.5	0.2	0.1	0.2	1.8	1.6	1.7	6.3
Ghana	2.0	2.2	2.1	0.3	0.4	0.4	2.3	2.6	2.5	-3.8
Mali	2.7	3.0	2.9	1.3	1.6	1.8	4.1	4.7	4.7	0.0
Niger	5.0	3.4	4.1	0.1	0.1	0.1	5.0	3.5	4.3	22.9
Nigeria	21.5	21.0	21.1	4.2	4.3	4.5	25.8	25.4	25.6	0.8

Note: Totals computed from unrounded data, '-' means nil or negligible.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

shown signs of stabilizing over the past few months, as a result of the various emergency interventions underway, the beginning of harvesting in neighbouring coastal countries and overall favourable crop prospects in Niger; but they remain at high levels. Wholesale millet prices on the Niamey markets in August 2010 were still 61 percent higher than in August 2007; before the global food price crisis. In **Burkina Faso** (Ouagadougou), **Mali** (Bamako) and **Chad** (N'Djamena**)** wholesale millet prices were increasing and by August 2010 were still 50 percent, 40 percent and 67 percent higher respectively than in August 2007. The same trend is observed in coastal countries. In **Nigeria** (Kano) for example, maize prices have remained mostly stable this year, but were still 31 percent higher in July 2010 compared to July 2007.

The food and nutrition situation remains critical in the Sahel, due mostly to the high food prices and the impact of the recent floods. Nearly 17 percent of **Niger**'s children under five years of age suffer acute malnutrition, an increase of almost 36 percent over the same period last year, according to a national survey carried out by the Government from mid-May to mid-June. Another study conducted recently (in early July) in **Chad** by Action contre la Faim (ACF) along with the Government showed that acute malnutrition reached the alarming rate of 27.2 percent in parts of the Western Kanem region. Urgent humanitarian interventions should be given full support until next harvests in October.

Central Africa

Good growing conditions for the 2010 crops but civil insecurity continues to hamper agricultural recovery in parts

In **Cameroon** and the **Central African Republic**, harvesting of the 2010 first maize crop is nearly complete in southern parts, while the later maturing cereal crops are generally developing satisfactorily in northern areas. Rains and soil moisture have been generally adequate since the beginning of the cropping season, allowing satisfactory development of crops, according to satellite imagery analysis.

However, persistent civil insecurity continues to impede agricultural recovery and restrict humanitarian work in the region. Armed clashes in the Equateur province in the **Democratic Republic of Congo** has led to more than 100 000 civilians crossing the border into the **Republic of Congo** and the **Central African Republic** since the end of 2009. The influx of refugees placed additional demand on the already strained food supply situation of Likouala Province, in the north-east of the Republic of Congo, causing a deterioration of the food security of both refugees and host populations. A similar situation is reported in eastern and northern parts of the Central African Republic, where civil conflict has exacerbated the poor food security situation. Nearly 300 000 people have reportedly been uprooted from their homes over the past few years. An Emergency Operation to distribute food to the affected population in the Republic of Congo is currently underway and will run until December 2010.

Eastern Africa

Favourable prospects for 2010 main season crop production

Harvesting of the 2010 main season cereal crops has been concluded last August in **Somalia** and in the **United Republic of Tanzania**, while it is underway in **Kenya** and **Uganda** and is expected to start from late October in **Sudan**, **Ethiopia** and **Eritrea**. Early forecasts for 2010 subregional cereal production point to a record output of about 36 million tonnes, almost 9 percent above the previous five-year average. This is the result of abundant rains in most parts of the subregion that often enhanced planted area and yields. Availability of pasture and water has also improved in most pastoralist areas such as south-eastern Ethiopia (Somali region), inland Djibouti and Somalia (except Northeast and Central regions) with positive effects on animal body conditions and milk production. However, heavy rains in the Ethiopia highlands have caused floods in downstream areas both in Somalia and Sudan, causing damage to infrastructure and standing crops. Floods have mainly affected the Northern Bahr el Gazal state and Darfur region in Sudan; Tigray, Amhara and Oromia regions in Ethiopia and areas of central and eastern Kenya.

Close monitoring is warranted for the likely occurrence of the "La Niña" phenomenon that may negatively affect the 2010 October-December short rainy season, particularly in pastoralist areas.

Civil conflicts continue to negatively impact on the food security situation of the region, disrupting markets and hampering food aid distribution. In particular, the civil

Table 12. Central Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals [1]			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Central Africa	**3.0**	**2.8**	**3.1**	**0.4**	**0.5**	**0.5**	**3.4**	**3.3**	**3.6**	**9.1**
Cameroon	1.6	1.3	1.6	0.1	0.1	0.1	1.6	1.5	1.7	13.3
Central Africa Rep.	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	0.0

Note: Totals computed from unrounded data, '-' means nil or negligible.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

Table 13. Eastern Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals [1]			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Eastern Africa	**3.7**	**3.9**	**4.1**	**27.9**	**27.1**	**29.7**	**33.5**	**33.0**	**35.9**	**8.8**
Ethiopia	2.7	3.1	3.0	12.7	13.1	12.8	15.4	16.3	16.0	-1.8
Kenya	0.2	0.2	0.2	2.3	2.6	3.2	2.6	2.8	3.5	25.0
Sudan	0.6	0.4	0.6	4.9	3.1	4.9	5.5	3.6	5.6	55.6
Tanzania U.R.	0.1	0.1	0.1	4.6	4.3	4.7	6.1	5.7	6.2	8.8
Uganda	-	-	-	2.5	2.8	2.7	2.7	3.0	3.0	0.0

Note: Totals computed from unrounded data, '-' means nil or negligible.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

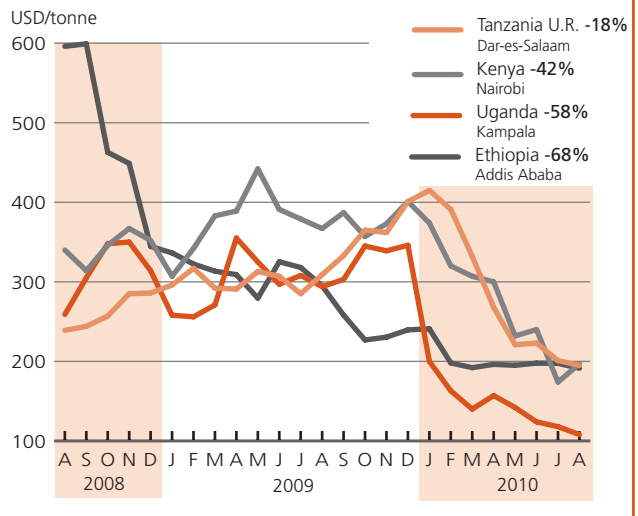
insecurity situation has further deteriorated in most areas of southern and central **Somalia**, particularly in Mogadishu and parts of Hiran, Mudug and Galgadud regions with escalating displacements of civilian population. Insecurity and conflicts in areas of Darfur in **Sudan** continue to disrupt local livelihood systems, preventing people from carrying out even the most basic coping strategies such as firewood collection or seasonal migration for labour.

Current levels of food insecurity have declined in countries where harvests have already started or concluded, but they are still high where harvesting starts at the end of October and the lean season is still peaking. The total number of food insecure people in need of humanitarian assistance in the subregion is estimated at about 16-16.5 million people, about 2-2.5 million people less than the previous FAO estimate and are mainly concentrated in southern **Sudan**, eastern **Ethiopia**, central and northern **Somalia** and north-eastern **Uganda**. This situation is likely to further improve before the end of the year, when harvesting will be completed in Sudan and Ethiopia.

Cereal prices decreasing in main markets

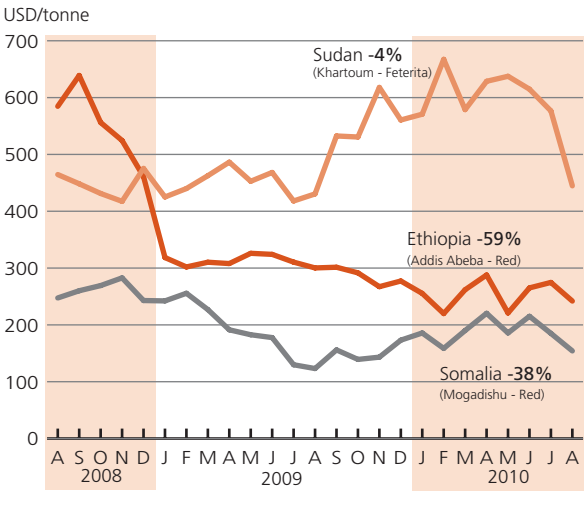
Maize prices have been steadily declining from the beginning of 2010 following the good 2009 secondary season production and the favourable production prospects for the 2010 main season harvest. In August 2010, prices of maize in **Uganda, Kenya** and the **United Republic of Tanzania** were respectively 58, 42 and 18 percent lower than the level of 24 months earlier. In **Ethiopia**, wholesale prices of wheat and maize were quite stable since the beginning of the year, and in Addis Ababa, respectively 49 and 68 percent below the record level of August 2008. In **Sudan**, after registering record high levels in the first semester of 2010,

Figure 7. Maize prices in selected Eastern African markets



Sources: Regional Agricultural Trade Intelligence Network; Ethiopian Grain Trade Enterprise.
Note: Percentages indicate change from 24 months earlier.

Figure 8. Sorghum prices in selected Eastern African markets



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

the price of sorghum in Khartoum has declined by about 26 percent from May to August.

Southern Africa

Better than expected 2010 coarse grain harvests, but reduced crops in southern parts of Madagascar, Malawi, Mozambique and Zimbabwe

In **Southern Africa**, latest production estimates indicate that the maize harvest for the 2009/10 season expanded by 9 percent compared to last season's output. Despite the mid-season dry-spell that affected southern regions in **Madagascar**, **Malawi**, **Mozambique** and **Zimbabwe** and led to localized crop losses and lower production levels, a better than anticipated maize harvest was gathered across the subregion and substantial production gains were recorded in **Botswana**, **Lesotho** and **Zambia**. Latest estimates for **South Africa** indicate a near-record harvest, accounting for approximately 55 percent of the total maize output in the subregion for 2010. Even excluding South Africa, the aggregate maize output of the rest of the countries of the subregion increased by some 9 percent over last year's good level. Continued interventions by government and partner organizations to support agricultural production growth, through the provision of inputs, including seeds and fertilizers, contributed to the improved harvest and, to some extent, assisted in preventing a more pronounced drop in crop production in areas that received poor rains. The enlarged plantings for maize in Mozambique and Zimbabwe partly offset the decline in yields per hectare this year. Overall, sorghum production declined marginally, but the millet harvest was higher than the 2008/09 season's output. In aggregate, the subregion's 2010 coarse grain harvest is estimated at 26.7 million tonnes, representing a significant increase of 35 percent over the five-year average (2005-2009).

Wheat production for the subregion is forecast to decline for the second consecutive season. Production in South Africa – accounting for some 90 percent of the subregion's aggregate output – is estimated to fall by about 15 percent relative to last season. The fall in wheat plantings in South Africa continues the declining trend since the late 1980s; however, the contraction in area planted has, to some degree, been offset by improving yields. Rice production is estimated to be similar to the 2009 output, primarily on account of a good harvest in Madagascar following favourable rains in the main northern producing regions. Elsewhere, production declined, particularly in Mozambique, or remained stable.

Cereal import requirement declines for 2010/11, following improved cereal production

Following three consecutive bumper harvests, several countries have been able to build up large maize stocks, with significant surpluses recorded in **Malawi**, **Zambia** and the largest exporter in the subregion, **South Africa**. Consequently, the Governments of **Zambia** and **Malawi** have authorized the export of maize, in contrast to previous years when exports were restricted. There has also been an increase in the quantity of informal trade at the beginning of the marketing year, compared to last year, reflecting both the surplus quantities and price differentials between countries. The subregion's overall surplus is sufficient to cover the maize import requirements for deficit countries, which are estimated at about 1 million tonnes, some 6 percent below the level in the previous season. However, the subregion's aggregate wheat imports will increase in 2010/11, due to the fall in production.

Bumper maize harvests depress prices

Staple food prices have exhibited a general declining trend since the beginning of 2010. In **Zambia** and **South Africa**, prices of maize have declined markedly, reflecting ample national supplies, and consequently the lower grain prices have resulted in a reduction in the price of maize meal. There still exist some large regional disparities within countries, particularly notable in Mozambique, where prices in the northern surplus producing regions are approximately half

Table 14. Southern Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Southern Africa	**2.4**	**2.2**	**2.0**	**21.8**	**24.7**	**26.7**	**4.2**	**4.9**	**5.1**	**28.4**	**31.8**	**33.8**	**6.3**
- excl. South Africa	**0.3**	**0.3**	**0.3**	**8.8**	**11.6**	**12.5**	**4.2**	**4.9**	**5.1**	**13.3**	**16.8**	**17.9**	6.5
Madagascar	-	-	-	0.4	0.4	0.5	3.9	4.5	4.8	4.3	4.9	5.3	8.2
Malawi	-	-	-	2.9	3.7	3.5	0.1	0.1	0.1	3.0	3.9	3.6	-7.7
Mozambique	-	-	-	2.1	2.4	2.3	0.2	0.3	0.2	2.3	2.6	2.5	-3.8
South Africa	2.2	2.0	1.7	13.0	13.1	14.2	-	-	-	15.2	15.1	15.9	5.3
Zambia	0.2	0.2	0.2	1.5	2.0	2.9	-	-	-	1.7	2.2	3.1	40.9
Zimbabwe	-	-	-	0.8	1.5	1.6	-	-	-	0.8	1.6	1.6	0.0

Note: Totals computed from unrounded data, '-' means nil or negligible.

Table 15. Southern Africa (excluding South Africa and Mauritius) 2009/10 estimated imports, 2010/11 import requirements and current import position

	Estimated imports 2009/10 (000 tonnes)	Import requirements 2010/11 (000 tonnes)	Change: 2010/11 over 2009/10 (%)	Imports contracted/pledged/received as of late August 2010 (000 tonnes)	(%)
CEREALS					
TOTAL	**3 560**	**3 305**	**-7**	**767**	**23**
Commercial	3 188	3 003	-6	710	24
Food aid	372	302	-19	58	19
MAIZE					
TOTAL	**1 055**	**990**	**-6**	**255**	**26**
Commercial	977	884	-10	253	29
Food aid	78	106	36	3	2

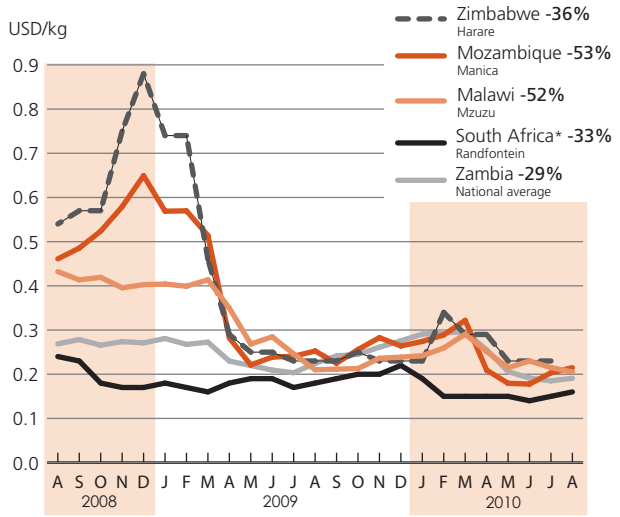
Source: FAO/GIEWS

Note: Totals computed from unrounded data.

the amount of prices recorded in southern urban areas, with a similar situation prevailing in Malawi. These price variations reflect a difference in regional production as well as the high transport costs.

Wheat prices in South Africa remained comparatively stable during the first half of 2010. In August, however, prices increased by 12 percent over the previous month's level, reflecting higher international market prices, and at Rand 2 695 per tonne (USD 370) are 13 percent above than in the same month last year. As a result of the higher international prices, South Africa's import tariff for wheat was reduced to zero from Rand 260.90 per tonne on August 24. The tariff was updated when the three-week moving average of the international reference wheat price (US Hard Red Wheat, No.2 fob Gulf), in July, deviated from the domestic base price (set at USD 215 per tonne) by more than USD 10 per tonne for three consecutive weeks. In Mozambique, the Government raised the regulated price of bread by 30 percent at the beginning of September following the depreciation of national currency since the beginning of the year and increasing export prices. This measure, however, was revoked later in the month after serious civil disturbances; the Government has decided to maintain the price of bread through introducing a subsidy. Furthermore, the price of rice, the most consumed cereal in Maputo, has increased gradually over the preceding two years and by early September 2010 was 25 percent higher than those recorded in the same period in 2009.

Figure 9. White maize prices in selected Southern African markets



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

Great Lakes Region

Improved crop performance for 2010 main season

In **Burundi** and **Rwanda,** abundant rains during the main agricultural season (2010 B) harvested in June-July supported an expansion in crop production, following an average 2010 A harvest earlier in the year. In **Rwanda**, maize production recorded a significant increase on account of larger plantings and support from Government programmes, through the provision of fertilizers and seeds, enabling farmers to improve yields. By contrast, bean production remained at a similar level compared to the previous year. As a result of a more abundant supply situation, market prices of cereals in Rwanda fell since June-July but bean prices increased between June and September; although overall they are at lower levels than one year earlier. In spite of improved cereal availability, chronic food insecurity still persists in northern **Burundi**, due to a combination of factors, including poor cassava production.

In the **Democratic Republic of Congo** planting of the 2010 rice crop in northern regions was completed in August, while harvesting of millet and sorghum crops is currently underway. Rainfall estimates indicate that the northern regions received below-average rainfall from the end of July to the beginning of August. However, localized heavy rains in the Ituri province caused crop damage in five localities. Prices of imported rice over the 12-month period from August 2009 to July 2010 have remained relatively stable, increasing by only 7 percent; this reflects the relative stability of the exchange rate in that period. Approximately one-third of the total national cereal supply is imported. However, at about CDF 1 000 per kg, latest available prices of rice in Kinshasa are still significantly above levels recorded two years earlier.

Asia

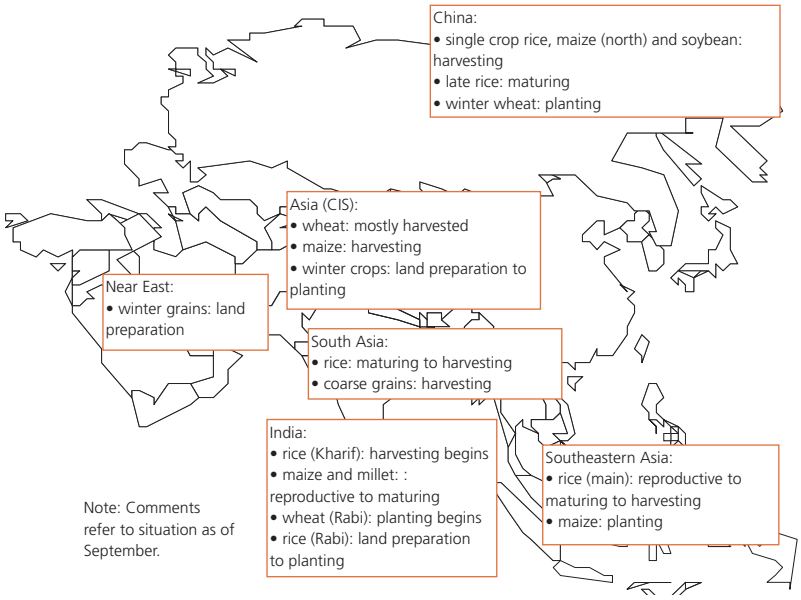
Far East

2010 cereal harvest slightly higher than last year

Harvesting of the 2010 main season rice and other cereals is underway in the subregion. FAO forecasts the 2010 aggregate output of cereals (including rice in paddy terms) at 1.11 billion tonnes, about 2.2 percent above the 2009 harvest, reduced by a drought-affected rice crop in India, but only 1.2 percent above the record level of 2008. Overall in the subregion, except for Pakistan, the monsoon has been relatively good this year. However, poor harvest is expected due to delayed and erratic rains, in South-east Asia, namely **Lao People's Democratic Republic** and **Cambodia,** and severe flooding in **Pakistan**.

The major improvement in this year's aggregate cereal output is expected in **India, Sri Lanka, Bangladesh,** the **Philippines** and **Malaysia**. In **China**, this year's cereal output is expected marginally above last year's previous record level. The rest of the countries of the subregion are expected to have no significant change from the year before.

Harvest of rice, the major staple cereal in the subregion, accounting for more than 50 percent of the total, is forecast at a record level of 628.7 million tonnes or 3.2 percent over the harvest of 2009 mainly reflecting a recovery in India's production. The harvest of 2010 winter wheat, gathered earlier in the year, at 222.7 million tonnes is marginally higher than the previous year's record level but this increase is well below that of the population growth. Good outputs, around the bumper 2009 wheat crops, are estimated in **India, China** and **Pakistan**.



Wheat prices rising in most Asian countries but trends for rice mixed

Nominal prices of wheat in the selected markets have increased in practically all the Asian countries (Far East and Near East) in the last three months. In some countries, such as **Afghanistan**, this change follows the dramatic increase in the export wheat prices in the international markets.

For rice, price trends are mixed. In **Bangladesh**, **Viet Nam** and some markets of **India** prices have increased in last three months but have declined in the **Philippines**, **Thailand** and **Sri Lanka**. Price increases for rice are generally lower than those of wheat given that the international price of rice has not seen a similar rise. Also, rice prices are under better control through subsidies and government interventions in most Asian countries.

Table 16. Far East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Far East	**215.7**	**223.6**	**222.7**	**261.3**	**254.1**	**260.0**	**618.4**	**609.4**	**628.7**	**1 095.4**	**1 087.1**	**1 111.4**	**2.2**
Bangladesh	0.8	1.0	1.0	1.4	1.1	1.1	47.0	48.6	50.3	49.2	50.7	52.3	3.2
Cambodia	-	-	-	0.6	0.9	0.8	7.2	7.6	6.6	7.8	8.5	7.4	-12.9
China	112.5	115.1	114.0	175.9	173.2	175.5	193.4	196.7	198.1	481.7	485.0	487.6	0.5
India	78.6	80.7	80.7	39.5	34.2	37.6	148.8	133.7	150.4	266.9	248.5	268.8	8.2
Indonesia	-	-	-	16.3	17.6	18.0	60.3	64.4	65.2	76.6	82.0	83.2	1.5
Korea Rep. of	-	-	-	0.4	0.4	0.4	6.5	6.6	6.5	6.9	7.0	6.9	-1.4
Myanmar	0.2	0.2	0.2	1.3	1.3	1.3	30.5	31.0	30.8	32.0	32.5	32.2	-0.9
Nepal	1.4	1.3	1.6	2.3	2.2	2.2	4.5	4.0	4.3	8.2	7.5	8.1	8.0
Pakistan	21.0	24.0	23.9	4.1	3.7	3.8	10.4	10.1	7.5	35.5	37.8	35.1	-7.1
Philippines	-	-	-	6.9	7.0	7.0	17.1	15.5	17.0	24.0	22.5	24.0	6.7
Thailand	-	-	-	4.5	4.5	4.2	31.6	29.8	30.0	36.1	34.3	34.2	-0.3
Viet Nam	-	-	-	4.6	4.4	4.8	38.7	38.9	39.1	43.3	43.3	43.9	1.4

Note: Totals computed from unrounded data, '-' means nil or negligible.

A rise in staple food commodity prices puts a significant stress on the household food security of the low and middle-income families, as food costs typically account for about 60 percent of the total monthly household budget.

Near East

Mixed outcomes of the 2010 winter crops, overall cereal production forecast similar to last year

Harvesting of 2010 winter wheat and barley crops has recently been completed. The previously optimistic production forecast has been revised downward due to unfavourable weather conditions during May-June and a widespread infestation of wheat yellow rust that severely affected yields, especially in north-east **Syrian Arab Republic**, south-east **Turkey** and **Lebanon**. In particular, crops in Mediterranean countries were negatively affected by the early cessation of the rainy season. In Turkey heavy rainfall just before and during harvest time decreased wheat yields and quality, while harvesting of 2010 maize crop is underway in main growing areas of Aegean, Çukurova and south-east Anatolia regions. If weather conditions remain favourable, production is forecast at an average 4 million tonnes.

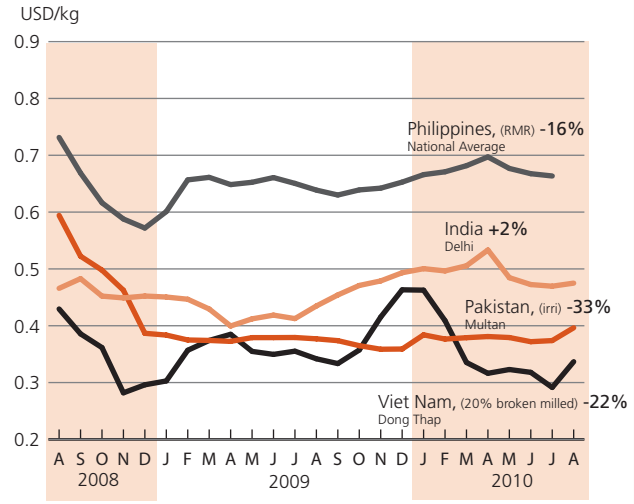
By contrast, wheat and barley production in **Iraq** has recovered from the poor harvests of the previous two years and is estimated at a well above-average level due to favourable precipitation in northern and central areas that benefited filling winter grains. Similarly, the **Islamic Republic of Iran** is estimated to have produced a fairly good harvest this year at about 20.3 million tonnes of all cereals, including some 14.5 million tonnes of wheat. This is a significant recovery from the previous two years but the level is still below that of 2007. In **Afghanistan**, the 2010 cereal harvest is officially estimated at 5.9 million tonnes, some 10 percent below last year's record output but well above average. Wheat, the major staple

Table 17. Near East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Near East	**35.7**	**45.4**	**44.9**	**16.3**	**18.7**	**19.1**	**3.8**	**4.3**	**4.4**	**55.7**	**68.4**	**68.4**	**0.0**
Afghanistan	2.6	5.1	4.5	0.6	0.8	0.8	0.6	0.6	0.6	3.9	6.6	5.9	-10.6
Iran (Islamic Rep. of)	9.8	13.0	14.5	2.9	3.2	3.0	2.2	2.7	2.8	14.9	18.9	20.3	7.4
Iraq	1.3	1.4	2.0	0.6	0.6	1.3	0.2	0.2	0.2	2.2	2.1	3.6	71.4
Syrian Arab Republic	2.1	4.0	3.3	0.4	1.0	1.0	-	-	-	2.6	5.0	4.3	-14.0
Turkey	17.8	20.6	19.5	10.8	12.2	12.1	0.8	0.8	0.8	29.3	33.5	32.3	-3.6

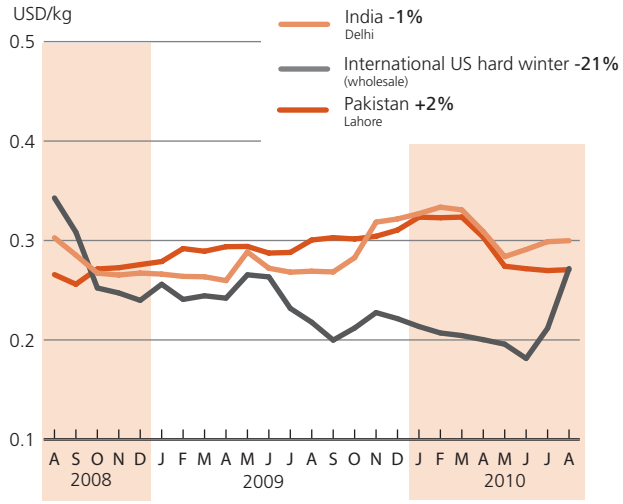
Note: Totals computed from unrounded data, '-' means nil or negligible.

Figure 10. Rice retail prices in selected Asian countries



Sources: Pakistan Bureau of Statistics; Ministry of Consumer Affairs, India; Bureau of Agriculture Statistics, Philippines; Agroinfo, Vietnam.
Note: Percentages indicate change from 24 months earlier.

Figure 11. Wheat retail prices in selected Asian countries and international US hard winter wheat



Sources: Pakistan Bureau of Statistics; Ministry of Consumer Affairs, India; WFP Afghanistan.
Note: Percentages indicate change from 24 months earlier.

produced, has seen a similar change. Contrary to the seasonal pattern and despite a second consecutive good harvest, prices of mostly imported wheat flour have escalated as high as 46 percent in the last two months in Jalalabad and other markets, reflecting higher international wheat prices. Overall, the aggregate cereal production of the subregion is forecast to remain unchanged from the previous year's level

Asian CIS

Cereal production in 2010 sharply down from last year's record, particularly in Kazakhstan

Cereal harvesting is almost completed and the aggregate output is forecast close to 30 million tonnes, which is 15 percent lower than last year's good crop and 7 percent below the five-year average. The reduced harvest mainly reflects the severe drought in July-August in Kazakhstan, the largest producer of the subregion. **Kazakhstan's** 2010 cereal production is forecast about one-quarter below last year's bumper harvest and 13 percent lower than the five-year average. In other Central Asian countries, weather conditions were generally favourable for crop production though other factors (such as reduced use of agricultural inputs) have negatively affected production levels in some countries. Good harvests, around or above last year's levels, have been obtained in **Uzbekistan, Azerbaijan** and, in particular, **Turkmenistan,** but cereal production declined elsewhere.

In **Kyrgyzstan,** cereal production in 2010 has been affected by the delay in sowing due to the long and cold winter and social unrest, in particular, in the southern part of the country. The aggregate output is estimated over 1.6 million tonnes, sharply down from the bumper crop of the previous year but still around the average level of the last five years. The country has a high level of stocks to guarantee an adequate food supply to the population. Similarly, cereal production in **Tajikistan** dropped from the 2009 record level by some 20 percent reflecting floods in early spring and the rainy summer. Tajikistan strongly depends on the import of cereals, especially wheat, and import requirements are expected to increase by 8 percent in marketing year 2010/11 (July/June) as a result of the lower domestic output.

Georgia experienced the largest production decline this year, (29 percent) to 308 000 tonnes, which is only one-third below the five-year average level. This reflects reduced access by farmers to agricultural inputs and heavy rains at planting time that destroyed crops in parts. Similarly in **Armenia**, the 2010 cereal production is estimated significantly lower than last year and the average levels due to agricultural inputs supply.

Table 18. CIS in Asia cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals [1]			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
CIS in Asia	**26.5**	**28.8**	**24.7**	**5.1**	**5.7**	**4.5**	**32.2**	**35.2**	**29.9**	**-15.1**
Azerbaijan	1.6	1.9	1.8	0.7	0.6	0.6	2.3	2.5	2.5	0.0
Kazakhstan	16.0	17.0	13.0	2.7	3.3	2.3	19.0	20.6	15.6	-24.3
Kyrgyzstan	0.8	1.1	0.9	0.7	0.8	0.7	1.5	1.9	1.6	-15.8
Uzbekistan	6.1	6.6	6.8	0.3	0.3	0.3	6.6	7.1	7.2	1.4

Note: Totals computed from unrounded data, '-' means nil or negligible.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

Flood damage to agriculture sector in Pakistan

The worst floods in history, following torrential rains in July and August, adversely affected 20.6 million people, damaged 1.8 million homes and resulted in widespread destruction of infrastructure. Approximately 75 percent of those affected are located in the important agricultural provinces of Sindh and Punjab. Overall, latest official figures indicate that about 2.4 million hectares of crop land (including paddy, maize, sugarcane, cotton, and others crops) have been damaged by floods. This represents approximately 10 percent of the total cropped area.

Severe damage to 2010 rice and cash crops

The cereal crops of the current *Kharif* season (rice, maize, sorghum and millet) - scheduled to be harvested from September onwards - account for approximately 35 percent of the annual national cereal production. Official estimates indicate that one-third of the area planted to paddy was damaged by the floods and production losses are preliminary estimated at about 2.4 million tonnes. As a result, FAO forecast for the 2010 rice production (in paddy terms) has been revised downwards to 7.5 million tonnes, representing a drop of about 25 percent from the 2009 level. Pakistan normally exports about 40-60 percent of its domestic production (in milled terms) and in 2009 was the third largest rice exporter. Following the anticipated reduced harvest this year, exports in 2011 are forecast at about 2.2 million tonnes of milled rice, as opposed to some 3 million tonnes projected in 2010. In addition, reports point to substantial losses of sugarcane and cotton which are important cash crops. On-going assessments indicate that 597 000 and 194 000 hectares of sugarcane and cotton, respectively, have been affected by floods. This represents some 18 percent of the areas planted to these crops. The losses of sugarcane, cotton and rice crops, which combined, account for a substantial proportion of the country's export earnings, could have an impact on the country's trade balance and export revenue, as well as negatively affecting households' incomes. The floods have also led to serious losses of animals at local level; overall an estimated 1.2 million heads of livestock have perished and 6 million poultry have been lost.

Growing concern over next wheat planting from October

Wheat, the main food staple in the country, contributes approximately two-thirds to the annual national cereal production. Wheat and wheat products account for 35 percent of the total dietary energy supply (DES) (2008), compared to 6 percent provided by rice. Official final estimates of 2010 wheat crop, which was harvested before the floods, indicate an output to 23.86 million tonnes, just below the record level last year. The floodwaters have led to serious losses of households' grain and seed stocks of wheat. Tentative estimates indicate that at least 500 000 to 600 000 tonnes of wheat, stocked at the farm level, may have been damaged or lost to the floods. However, following two consecutive bumper harvests, large volumes of stocks are maintained by the Government, which at the end of April 2010 authorized the export of 2 million tonnes of wheat, but given the flood situation this policy is currently under review. Losses of agricultural inputs, including seeds, fertilizers and tools at the household level could have a negative impact on the next *Rabi* season wheat crop, which needs to be planted from October until December. Latest reports indicate that the land will be suitable for planting in many of the affected areas of Punjab, Balochistan and Khyber Pakhtunkhwa (KPK), as the floodwaters recede and therefore there is urgent need to provide agricultural inputs to farmers. Furthermore, damaged irrigation infrastructure needs to be repaired urgently given that approximately 90 percent of the crop is produced under irrigated conditions.

Wheat prices increased at the beginning of September

The good wheat harvest in 2010 lowered market prices from April onwards, declining from the seasonal peaks in March. Wheat and wheat flour prices remained stable in July and August and were, in general, lower than those recorded one year earlier. However, they have risen in the first week of September, particularly in Lahore, the capital of the surplus producing Punjab province (12 percent), and Karachi (6 percent), reflecting regional demand and the increase of wheat prices in the international markets.

FAO response

As part of its overall response, FAO is providing agricultural inputs (seeds and fertilizer) for the 2010 Rabi wheat planting season, as well as emergency animal feed to 200 000 flood-affected families. In addition, FAO aims to assist a further 743 250 families to address critical needs in the areas of crops, livestock, fisheries and forestry, within the framework of the Revised Pakistan Floods Emergency Response Plan, launched on 17 September 2010.

Flood damage to agriculture sector

	Rice (paddy)	Other crops[1]	Total
Area sown (000 hectares)	2 642	7 046	9 688
Area damaged (000 hectares)	871	1 484	2 355
Production loss during floods (000 tonnes)	2 378		
	Livestock	**Poultry**	**Total**
Animals lost (million)	1.2	6.0	7.2

Sources: Ministry of Food and Agriculture (MINFA)/SUPARCO, as of 14.09.2010 & Ministry of Livestock Diary Development, as of 25.08.2010.

[1] Other crops include: sugarcane, cotton, maize, pulses, citrus, jowar (sorghum), moong (green gram) , fruit, til (sesame), fodder and vegetables.

Latin America and the Caribbean

Central America and the Caribbean

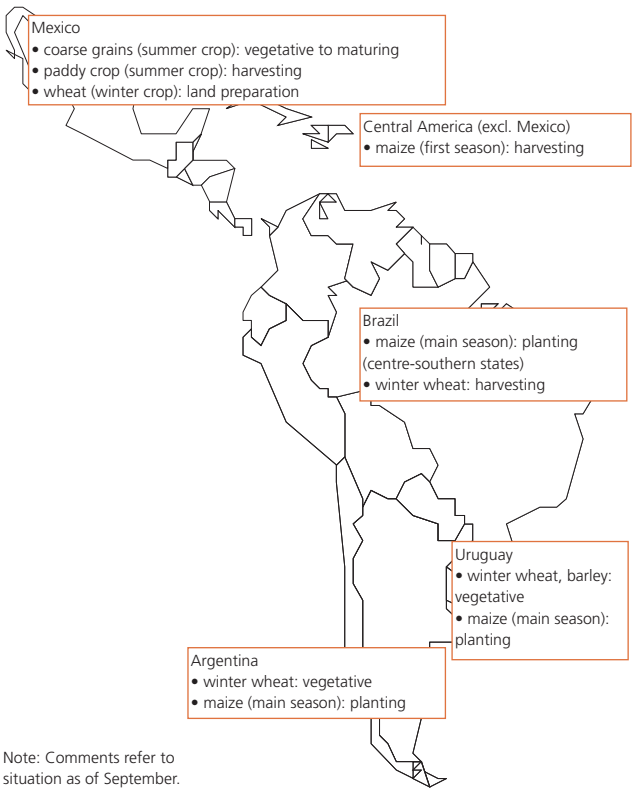
Overall prospects for the 2010 cereal production favourable but localized crop losses due to the intense hurricane season reported

The 2010 aggregate cereal output of the subregion is forecast by FAO at 42 million tonnes, about 600 000 tonnes less than the 2008 record level but still above the average of the last five years.

In Mexico, planting of the 2010 main rainfed summer coarse grain crops, representing more than half of the annual production, was completed in the central and southern plateau producing states where weather conditions have been generally favourable so far. However, recent floods and landslides, triggered by the passage of hurricane Karl in mid-September are causing widespread damage in the State of Veracruz where flooding has affected more than half a million people. Further north, due to the effects of hurricane Alex in mid-July, which mostly interested the state of Tamaulipas, prospects for the sorghum crop are unfavourable because heavy rains and waterlogging reduced yields. The 2010 output has been revised downwards to about 5.9 million tonnes, which is close to the average of the last five years but below last year's good production (-5 percent).

Land is currently being prepared for planting of the 2011 irrigated winter wheat in the north-western growing states, scheduled to start in October.

Harvesting of the 2010 main (*primera*) maize and beans cropping season is well advanced in the other countries of the subregion, while planting of the 2010 second (*segunda*) cropping season has just started. In **Costa Rica**, the good rainfall volume and the investments in the agricultural sector, have resulted in a bumper 2010 paddy crop, forecast at 285 000 tonnes, 5.5 percent above the previous record crop of 2009. In **El Salvador** and **Honduras**, above average rainfall since the beginning of the season has caused flooding and localized production losses, particularly in bean crops which are mostly sensitive to excess humidity. In **Guatemala,** affected by the tropical storm Agatha in June, preliminary favourable cereal production estimates for the 2010 "primera" cropping season are currently being reviewed downwards due to excessive rains in parts.



Note: Comments refer to situation as of September.

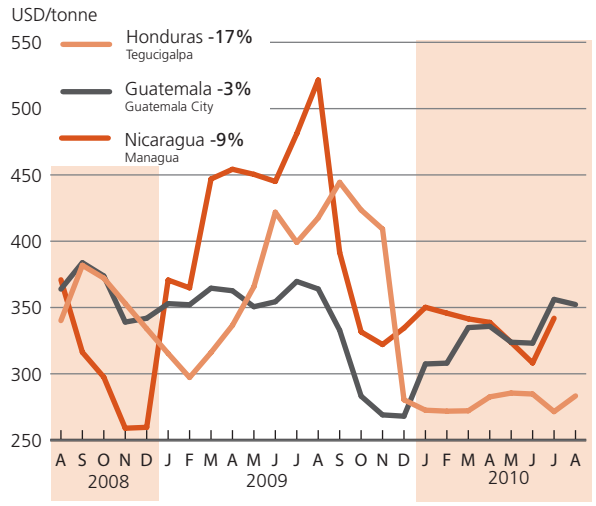
Table 19. Latin America and Caribbean cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
Central America & Caribbean	**4.0**	**4.1**	**3.7**	**36.1**	**34.6**	**35.4**	**2.5**	**2.8**	**2.8**	**42.6**	**41.6**	**42.0**	**1.0**
El Salvador	-	-	-	1.2	1.1	1.2	-	-	-	1.2	1.1	1.2	9.1
Guatemala	-	-	-	1.0	1.3	1.3	-	-	-	1.1	1.3	1.3	0.0
Honduras	-	-	-	0.6	0.6	0.6	-	-	-	0.6	0.6	0.7	16.7
Mexico	4.0	4.1	3.7	31.9	30.1	30.8	0.2	0.3	0.2	36.1	34.4	34.8	1.2
Nicaragua	-	-	-	0.6	0.6	0.6	0.3	0.3	0.3	0.9	0.9	0.9	0.0
South America	**17.8**	**16.9**	**20.5**	**101.9**	**83.1**	**96.5**	**23.8**	**25.2**	**23.8**	**143.4**	**125.2**	**140.7**	**12.4**
Argentina	8.4	7.5	11.5	27.0	16.9	28.1	1.2	1.3	1.4	36.6	25.7	41.0	59.5
Brazil	5.9	5.0	5.3	61.6	53.7	55.8	12.1	12.6	11.2	79.6	71.2	72.4	1.7
Chile	-	-	-	1.9	1.8	1.8	2.4	2.8	2.9	4.3	4.7	4.8	2.1
Colombia	1.1	1.5	1.2	1.8	1.8	1.8	0.1	0.1	0.1	3.1	3.4	3.1	-8.8

Note: Totals computed from unrounded data, '-' means nil or negligible.

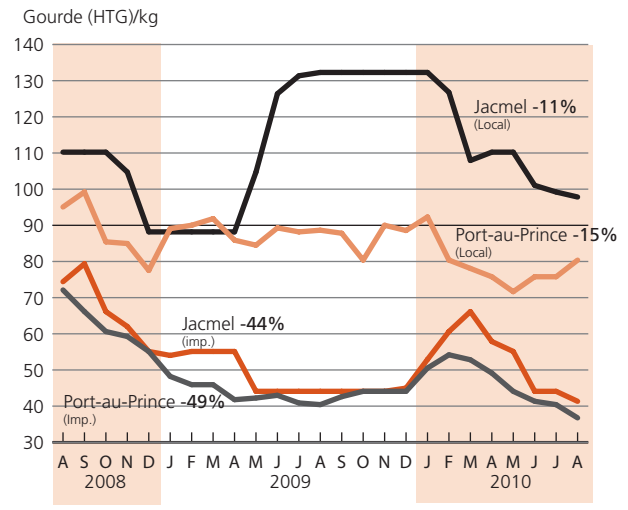
In the major islands of the Caribbean the outlook for this year's main rice crop is favourable. **Cuba**, affected by drought conditions since last September, has benefited by intense rainfall in recent months and preliminary production estimates point to an above-average rice harvest.

Figure 12. Wholesale white maize prices in selected countries in Central America



Sources: Secretaria de Agricultura y Ganaderia, Honduras; Ministerio de Agricultura, Ganadería y Alimentación, Guatemala; Ministerio agropecuario y forestal, Nicaragua.
Note: Percentages indicate change from 24 months earlier.

Figure 13. Retail rice prices in Haiti



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

In the **Dominican Republic**, a bumper 2010 rice crop is expected with preliminary estimates pointing to a level of about 868 000 tonnes. In **Haiti** the 2010 paddy production is estimated slightly above the good harvest of 2009. However, the output of other cereals declined. Overall, the 2010 aggregate cereal production is estimated 10 percent lower than the record crop of 2009 and above the average of the past five years. The good outturn reflects generally favourable weather conditions and improved input availability.

South America

Wheat production forecast to recover in Argentina but growing conditions still inadequate in parts

Harvesting of the 2010 winter wheat crop has just started in the central and southern states of **Brazil** and in **Paraguay** and is due to begin from November in **Argentina** and **Uruguay**. In **Brazil,** preliminary estimates point to a production of more than 5.3 million tonnes, 7 percent above the 2009 level and 21 percent higher than the five-year average. This reflects expected record yields in the central-western regions and a recovery of production in the states of Sao Paulo and Parana, affected by drought last year.

In **Argentina**, wheat plantings are estimated 20 percent higher than last year's drought-affected level. However, overall low humidity due to unseasonably warm weather in the main producing regions, namely Buenos Aires, Cordoba, Entre Ríos and Santa Fe, is affecting normal development of the crop and the forecast normal production level of 11.5 million tonnes may not materialize.

The 2010 aggregate wheat production for the subregion is tentatively forecast close to 21 million tonnes, a recovery from 2009 low record crop of 16.9 million tonnes and similar to the average of the last five years.

Harvesting of the 2010 second season maize crop is complete and the 2010 aggregate production (first and second season) is estimated at a high level of 86.2, 16 percent higher than in 2009 and well above average. This is mainly on account of the good performance of the two major South American producers, Brazil and Argentina, where 2010 aggregate maize output is expected to be 53.5 and 22.5 million respectively.

In **Peru**, insufficient rainfall in parts combined with the unseasonably cold temperature which has extensively affected the country since May, have reduced production of potatoes, being harvested, in the central and southern mountains (sierra central y meridional).

Peru - Cold wave affecting southern highlands departments

From May this year temperatures throughout the country have dropped to unseasonable low levels. Most affected areas are the Andean highlands, particularly areas above 3 000 metres, where the cold wave has adversely affected health of the population and resulted in human causalities, particularly among children under five and the elderly. Frosts and hails have also resulted in severe localized crop and livestock losses. The cold weather has not been confined only to the highlands but affected also the three hot and humid Amazonian departments of Ucayali, Loreto y Madre de Dios, where average temperatures are usually among the highest in the country. Fresh snowstorms in early September continue in the departments of Cusco, Arequipa and Ayacucho, worsening the situation.

In the department of Puno alone, 83 000 children are reported to have been affected by respiratory infections and 75 to have died. Overall, official estimates from the Sistema Nacional de Información para la Prevención y Atención de Desasters – SINPAD, indicate that 1.8 million people have been affected by severe respiratory infections, 339 children have died from pneumonia and some 6 000 houses have been damaged by high winds (up to 40 km per hour) and cold temperatures. The population living at high altitudes are among the most vulnerable as extreme poverty is widespread, malnutrition high, and health centres insufficient.

The cold wave is also damaging crops and livestock, important sources of income for small farmers. In the critically affected province of Espinar in Cusco Department, 50 percent of the cattle are reported lost. Preliminary reports indicate that up to 25 percent of the livestock have been lost in the affected areas. Severely affected by the cold wave are also alpacas, vicunas and lamas in high altitudes of the departments of Arequipa, Tacna and particularly in Apurimac, where besides cold temperatures that freezes the grass, drought is also affecting several areas.

On 24 June, the Peruvian Government declared the state of emergency in 16 out of the 24 departments of the country and is providing emergency humanitarian assistance to the affected population, including food aid, through the local Civil Defence offices and the National Programme of Food Assistance -PRONAA.

North America, Europe and Oceania

North America

Good crops in the United States but reduced cereal harvest in Canada

The **United States'** 2010 wheat output is officially estimated at 61.6 million tonnes, slightly above last year's level even despite a large reduction in plantings as favourable weather conditions led to bumper yields. As of mid-September, planting of the 2011 winter wheat crop was reported to be progressing at an about-average pace across the southern plains under generally favourable conditions. However, it is still too early to make any forecast of this year's planted area. While, a recovery in the winter wheat area might be expected after last year's 40-year low, especially in the light of the recent increase in international wheat prices, a mix of factors, from the cost of inputs to prices paid for competing crops, have to be considered. With ample time left until the end of the optimum planting window, farmers are likely to wait to see whether higher wheat prices will be sustained before making final planting decisions. In recent years, returns on maize and soybeans have proved better and more consistent than for wheat so in areas where these crops compete for area the prospects for wheat would need to be particularly good to induce a significant change in planting areas.

With regard to coarse grains, as of early mid-September, the maize harvest was well underway in the southern states of Texas and North Carolina but still in the very early stages elsewhere. The crop remains mostly in good to excellent condition, and the latest official forecast puts output this year at 334 million tonnes, slightly less than earlier expectations but still a new record high level.

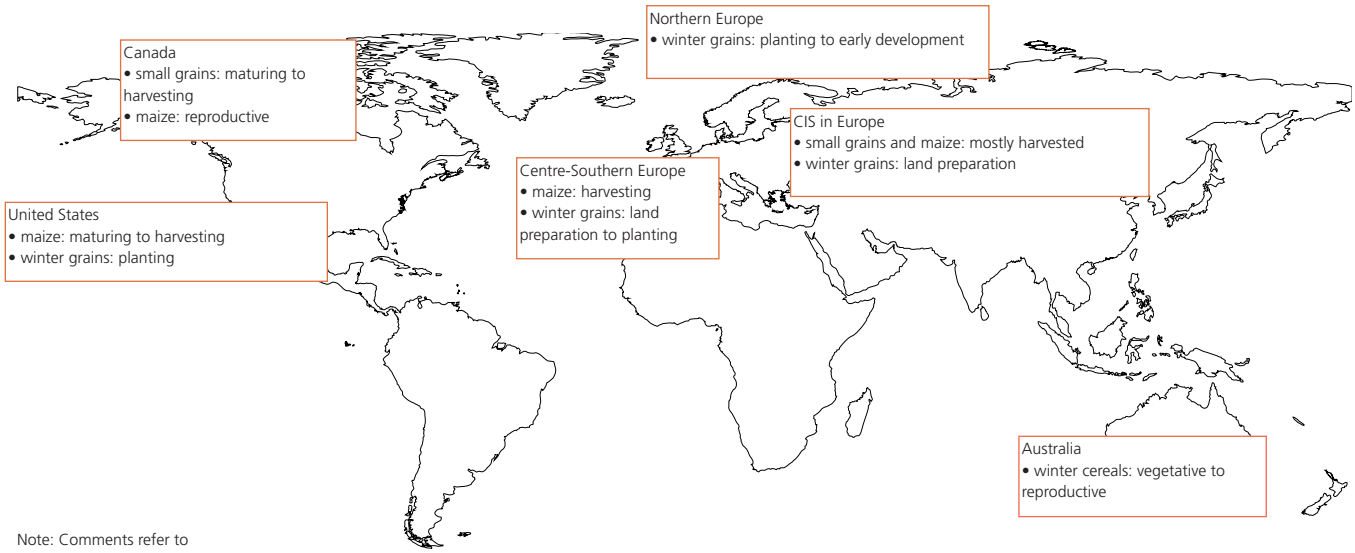
In **Canada**, the latest official forecast as of end-August put this year's wheat production at 22.7 million tonnes, 15 percent below last year's good harvest and below the five-year average. Plantings were considerably reduced because of wet spring weather and a new threat to this year's crop now looms as wet cool weather may prevent plants from maturing before the first major frosts arrive, which would impact on the quality of crops and the final area harvested. As for coarse grains, prospects for barley are similar to wheat, lower plantings and poor harvesting conditions but conditions for maize, mostly grown in the Eastern Canada, have been favourable and a larger crop is expected this year.

Europe

Cereal output down in the EU reflecting lower yields than anticipateded in some countries

The forecast for the **European Union**'s aggregate cereal output in 2010 now stands at 282.7 million tonnes, below expectations earlier in the season and almost 5 percent down from 2009. Although there was virtually no change in the overall cereal area this year, average yields are down, turning out close to the five-year average, after particularly high levels in the past two years. Crops in some western EU countries were hit by a heat wave in August, while in the east excessive rainfall has been an impediment to quality in particular, pointing to large availabilities of feed grade wheat in the 2010/11 marketing year.

The winter cereal planting for crops to be harvested in 2011 is already underway in the main northern/western producing countries. Farmers will very likely be reviewing their planting intentions in the light of recent price rises on international markets. However, with the 2010 cereal area slightly below the average of the past five years there is reasonable scope for plantings to increase should recent higher prices be sustained and provide sufficient incentive to farmers. Latest estimates put the aggregate 2010 harvested area at about 4 percent below the high level of 2008.



Note: Comments refer to situation as of September.

Cereal output in the European CIS drops sharply due to severe adverse weather

In the four European CIS countries (Belarus, Republic of Moldova, Russian Federation and Ukraine), harvesting of the 2010 cereal crops has been virtually completed, except for maize. Cereal output in all countries, with the exception of Belarus, was seriously affected by adverse weather conditions this year. Russian Federation and Ukraine suffered severe drought and extremely high summer temperatures, while the Republic of Moldova was struck by floods and hail storms. The aggregate cereal output of the four countries in 2010 is estimated at a reduced level of 113.5 million tonnes, the smallest harvest since 2005, and about 16 percent below the five-year average.

In the **Russian Federation**, the most severely affected by adverse conditions – a combination of severe drought, extremely high temperatures and wildfires - the 2010 cereal crop is estimated at 63.7 million tonnes. Of the total, cereal output is put at 42 million tonnes, almost 22 percent below the five-year average. In response to the reduced domestic supply outlook, the Government introduced from mid-August a cereal export ban due to last until the next harvest. The Russian Federation has accounted for about 12 percent of global wheat exports on average in the past five years, but in 2010/11, their contribution is now estimated to fall to just about 3 percent. Similarly, in **Ukraine**, following severe drought, cereal production is estimated sharply down from last year but still above the five-year average. As in Russian Federation, the reduced harvest will impact significantly on the cereal export availabilities: wheat exports are estimated to drop to about 5.5 million tonnes in 2010/11 from 9 million tonnes in the previous season and about 6.5 million tonnes on average over the past five years. In the **Republic of Moldova**, floods and hail storms contributed to reducing cereal production in 2010 to well below the five-year average. As a result, cereal import requirements in 2010/11 are estimated at 115 000 tonnes, up by almost 34 percent compared to the previous year. By contrast, cereal production increased further in **Belarus** in 2010 to a bumper level well above the average of the past five years.

Uncertain prospects for 2010/11 winter grain planting

Winter grain planting in the **Russian Federation** is significantly delayed because of persisting dry conditions. Beneficial rains arrived to some parts in late August, but soil moisture levels remain unfavourably low in many important producing areas. If significant precipitation does not arrive soon, the winter grain area and yield potential of crops could be significantly compromised. Winter grain planting has also been delayed somewhat in **Ukraine** following summer drought. However, by the end of September, moisture contents in Northern and Western regions of the country were reported to be satisfactory for planting to proceed. Nevertheless, it is expected that a significant part of the crop will be planted after the optimum period (up to 10 October), which gives rise to some concern about the condition of crops going into the winter and could have implications for yields.

Oceania

Prospects for winter grain crops improve with good rains in eastern parts

The prospects for the 2010 winter cereal crops in **Australia** have improved over the past few weeks as the major growing areas in the east of the country have benefited from the best rains in more than a decade. The improved yield prospects in the east of the country would more than offset a much poorer outlook in Western Australia (normally the largest producing region) on account of reduced precipitation so far this year. The latest official forecast in early September put wheat output at some 25 million tonnes, which would be 16 percent up from 2009 and the largest crop since 2005.

Table 20. North America, Europe and Oceania cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	2008	2009 estim.	2010 f'cast	Change: 2010/2009 (%)
North America	**96.6**	**86.8**	**84.3**	**353.6**	**372.0**	**371.9**	**9.2**	**10.0**	**11.6**	**459.5**	**468.8**	**467.8**	**-0.2**
Canada	28.6	26.5	22.7	27.4	22.5	22.4	-	-	-	56.0	49.0	45.0	-8.2
United States	68.0	60.3	61.6	326.3	349.5	349.6	9.2	10.0	11.6	403.5	419.8	422.8	0.7
Europe	**246.1**	**228.0**	**200.6**	**247.7**	**232.6**	**207.5**	**3.4**	**4.2**	**4.3**	**497.3**	**464.8**	**412.4**	**-11.3**
EU	150.5	138.5	134.5	163.3	155.5	145.0	2.5	3.2	3.2	316.4	297.1	282.7	-4.8
Serbia	2.1	2.1	1.9	7.0	6.9	6.9	-	-	-	9.2	9.0	8.8	-2.2
CIS in Europe	**90.8**	**84.9**	**61.7**	**72.1**	**65.3**	**50.6**	**0.8**	**1.0**	**1.1**	**163.8**	**151.2**	**113.5**	**-24.9**
Belarus	1.6	1.5	1.4	5.7	6.4	6.7	-	-	-	7.3	7.9	8.0	1.3
Russian Federation	63.8	61.7	42.0	41.8	33.4	20.8	0.7	0.9	1.0	106.3	96.1	63.7	-33.7
Ukraine	24.2	20.9	17.6	23.0	24.0	22.1	0.1	0.1	0.1	47.3	45.1	39.9	-11.5
Oceania	**21.7**	**22.0**	**25.4**	**14.3**	**13.5**	**13.2**	**-**	**0.1**	**0.2**	**36.1**	**35.6**	**38.9**	**9.3**
Australia	21.4	21.7	25.1	13.8	13.0	12.7	-	0.1	0.2	35.2	34.7	38.0	9.5

Note: Totals computed from unrounded data, '-' means nil or negligible.

Statistical appendix

Table A1. Global cereal supply and demand indicators

	Average 2003/04 - 2007/08	2006/07	2007/08	2008/09	2009/10	2010/11
1. Ratio of world stocks to utilization (%)						
Wheat	26.6	25.8	22.2	27.1	30.2	27.7
Coarse grains	16.7	15.1	15.8	19.2	19.1	17.9
Rice	24.5	23.9	24.9	27.4	27.2	29.0
Total cereals	21.2	20.1	19.6	23.2	24.0	23.0
2. Ratio of major grain exporters' supplies to normal market requirements (%)	125	116	120	124	120	118
3. Ratio of major exporters' stocks to their total disappearance (%)						
Wheat	18.3	15.8	11.8	17.2	21.5	18.6
Coarse grains	14.2	12.0	12.0	14.5	12.5	10.0
Rice	15.7	15.4	17.5	21.2	16.4	17.8
Total cereals	16.1	14.4	13.8	17.6	16.8	15.5

	Annual trend growth rate 2000-2009	Change from previous year				
		2006	2007	2008	2009	2010
4. Changes in world cereal production (%)	2.2	-1.6	5.6	7.2	-1.1	-1.0
5. Changes in cereal production in the LIFDCs (%)	2.4	4.4	2.3	4.3	0.7	1.9
6. Changes in cereal production in the LIFDCs less China and India (%)	3.9	4.0	-0.2	5.3	5.6	0.5

	Average 2003-2007	Change from previous year (%)				
		2006	2007	2008	2009	2010*
7. Selected cereal price indices:						
Wheat	106.2	17.1	49.1	31.5	-34.6	-8.2
Maize	103.5	23.3	34.1	36.5	-25.5	-2.8
Rice	118.6	9.9	17.3	83.7	-14.1	-15.9

Notes:

Utilization is defined as the sum of food use, feed and other uses.

Cereals refer to wheat, coarse grains and rice; Grains refer to wheat and coarse grains.

Major Grain Exporters are Argentina, Australia, Canada, the EU, and the United States; **Major Rice Exporters** are India, Pakistan, Thailand, the United States and Viet Nam.

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

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

Price indices: The **wheat** price index has been constructed based on the IGC wheat price index, rebased to 2002-2004=100; For **maize**, the U.S. maize No.2 Yellow (delivered U.S. Gulf ports) with base 2002-2004=100; For **rice**, the FAO Rice Price Index, 2002-2004=100, is based on 16 rice export quotations.

*January-August average.

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

	2006	2007	2008	2009	2010 estimate	2011 forecast
TOTAL CEREALS	**470.3**	**428.9**	**426.7**	**518.1**	**540.6**	**524.5**
Wheat	**181.8**	**162.4**	**143.8**	**178.8**	**201.3**	**183.6**
held by:						
- main exporters[2]	58.6	39.0	29.0	46.5	54.6	49.7
- others	165.3	123.4	114.8	132.3	146.7	133.9
Coarse grains	**184.4**	**162.3**	**172.3**	**215.6**	**214.2**	**207.9**
held by:						
- main exporters[2]	89.9	59.8	69.2	80.5	71.6	58.1
- others	107.6	102.6	103.1	135.1	142.6	149.9
Rice (milled basis)	**104.2**	**104.1**	**110.6**	**123.7**	**125.1**	**133.0**
held by:						
- main exporters[2]	23.4	23.1	26.5	32.8	25.7	28.2
- others	97.3	81.1	84.1	90.9	99.4	104.8
Developed countries	**189.0**	**129.6**	**122.3**	**168.4**	**170.5**	**143.6**
Australia	13.5	6.2	5.3	5.6	6.0	7.1
Canada	16.2	10.5	8.5	13.0	11.9	10.8
European Union[3]	44.3	30.0	25.8	41.8	40.6	29.9
Japan	4.7	4.3	3.8	3.6	3.8	3.7
Romania[4]	5.6	3.8	-	-	-	-
Russian Federation	9.3	6.5	7.3	16.7	17.0	9.4
South Africa	4.1	2.7	1.8	2.5	3.2	3.8
Ukraine	4.8	4.2	4.4	5.3	5.6	7.0
United States	71.7	49.8	54.3	65.9	67.3	58.6
Developing countries	**281.4**	**299.2**	**304.4**	**349.8**	**370.1**	**380.9**
Asia	**238.2**	**253.1**	**262.4**	**299.8**	**321.1**	**333.3**
China	149.0	163.0	167.6	194.5	216.5	229.1
India	25.8	28.5	35.5	41.8	35.8	38.4
Indonesia	4.7	5.3	5.6	6.9	8.6	9.1
Iran (Islamic Republic of)	3.6	3.5	2.9	4.8	3.8	2.5
Korea, Republic of	2.5	2.2	3.0	2.7	3.1	3.4
Pakistan	3.2	2.4	3.1	3.1	3.3	2.3
Philippines	2.9	2.8	3.1	4.2	4.9	4.8
Syrian Arab Republic	3.4	1.9	1.0	1.2	2.0	1.7
Turkey	6.1	7.1	5.2	4.1	4.6	4.5
Africa	**23.8**	**28.0**	**23.5**	**27.1**	**28.6**	**26.6**
Algeria	3.7	3.8	3.8	3.2	3.7	3.0
Egypt	4.3	4.3	3.5	6.0	7.2	6.8
Ethiopia	0.1	0.2	1.1	1.7	1.8	1.5
Morocco	2.6	4.0	2.1	1.8	2.9	2.9
Nigeria	1.4	2.1	1.0	1.5	1.3	1.0
Tunisia	1.3	1.2	1.9	1.5	1.5	1.3
Central America	**4.8**	**5.0**	**5.1**	**5.5**	**4.9**	**4.6**
Mexico	2.9	3.0	3.1	3.8	3.0	2.6
South America	**14.3**	**12.9**	**13.1**	**17.1**	**15.3**	**16.1**
Argentina	4.9	4.1	5.9	2.1	2.1	4.0
Brazil	4.5	3.6	2.3	9.8	7.9	6.9

[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] The major **wheat** and **coarse grains** exporters are Argentina, Australia, Canada, the EU and the United States. The major **rice** exporters are India, Pakistan, Thailand, the United States and Viet nam.

[3] Up to 2007 25 member countries, from 2008 27 member countries.

[4] From 2008 Included in the EU.

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

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

	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
Monthly						
2008 - September	308	222	280	229	203	208
2008 - October	252	183	235	181	169	158
2008 - November	247	182	189	166	156	146
2008 - December	240	182	177	160	152	151
2009 - January	256	193	213	172	160	148
2009 - February	241	183	218	163	158	145
2009 - March	244	186	214	165	163	153
2009 - April	242	180	211	168	166	149
2009 - May	265	201	210	180	186	167
2009 - June	263	201	228	177	185	167
2009 - July	232	175	234	151	164	145
2009 - August	218	161	229	153	166	154
2009 - September	200	158	208	152	163	152
2009 - October	212	175	214	168	175	174
2009 - November	227	204	214	172	175	182
2009 - December	221	207	240	166	177	182
2010 - January	213	197	236	167	177	177
2010 - February	207	192	221	162	164	169
2010 - March	204	191	211	158	160	167
2010 - April	200	187	228	156	161	160
2010 - May	196	190	244	163	170	164
2010 - June	181	183	206	152	163	156
2010 - July	212	218	212	160	171	168
2010 - August	272	257	277	174	198	185
2010 - September (three weeks average)	309	281	297	204	230	217

[1] Delivered United States f.o.b. Gulf.

[2] Delivered United States Gulf.

[3] Up River f.o.b.

Sources: International Grains Council and USDA.

Table A4a. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2009/10 or 2010 estimates
(thousand tonnes)

		2008/09 or 2009 Actual imports			2009/10 or 2010 Import position[2]			
	Marketing year	Commercial purchases	Food aid	Total commercial and aid	Total import requirements (excl. re-exports)	Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		**43 508.9**	**3 300.5**	**46 809.4**	**42 440.6**	**33 372.9**	**1 758.2**	**31 614.7**
NORTH AFRICA		20 767.0	0.0	20 767.0	18 897.0	18 897.0	0.0	18 897.0
Egypt	July/June	15 146.0	0.0	15 146.0	15 226.0	15 226.0	0.0	15 226.0
Morocco	July/June	5 621.0	0.0	5 621.0	3 671.0	3 671.0	0.0	3 671.0
EASTERN AFRICA		**6 484.6**	**2 310.3**	**8 794.9**	**7 450.0**	**5 785.3**	**1 158.1**	**4 627.2**
Burundi	Jan./Dec.	92.0	47.0	139.0	150.0	0.4	0.4	0.0
Comoros	Jan./Dec.	46.1	7.5	53.6	48.0	4.9	0.0	4.9
Djibouti	Jan./Dec.	87.7	21.0	108.7	91.0	37.2	2.1	35.1
Eritrea	Jan./Dec.	329.3	0.0	329.3	322.0	26.4	0.0	26.4
Ethiopia	Jan./Dec.	505.0	1 170.4	1 675.4	1 206.0	914.1	545.2	368.9
Kenya	Oct./Sept.	2 424.7	233.4	2 658.1	2 308.0	1 879.6	107.8	1 771.8
Rwanda	Jan./Dec.	104.7	24.0	128.7	81.0	20.2	0.0	20.2
Somalia	Aug./July	193.2	421.2	614.4	334.0	334.0	114.0	220.0
Sudan	Nov./Oct.	1 797.0	310.0	2 107.0	2 041.0	1 599.6	333.9	1 265.7
Uganda	Jan./Dec.	214.9	28.8	243.7	162.0	111.9	45.8	66.1
Tanzania United Rep	June/May	690.0	47.0	737.0	857.0	857.0	8.9	848.1
SOUTHERN AFRICA		**3 207.5**	**459.6**	**3 667.1**	**2 994.6**	**2 994.6**	**371.9**	**2 622.7**
Angola	April/March	801.0	12.0	813.0	688.0	688.0	12.0	676.0
Lesotho	April/March	205.0	2.0	207.0	231.0	231.0	5.0	226.0
Madagascar	April/March	206.4	10.8	217.2	226.0	226.0	17.5	208.5
Malawi	April/March	117.7	65.0	182.7	134.0	134.0	24.8	109.2
Mozambique	April/March	897.0	84.0	981.0	976.0	976.0	125.0	851.0
Swaziland	May/April	116.0	11.0	127.0	138.0	138.0	10.0	128.0
Zambia	May/April	133.3	6.6	139.9	33.6	33.6	1.6	32.0
Zimbabwe	April/March	731.1	268.2	999.3	568.0	568.0	176.0	392.0
WESTERN AFRICA		**11 288.8**	**362.1**	**11 650.9**	**11 152.0**	**5 099.3**	**200.6**	**4 898.7**
Coastal Countries		**8 568.8**	**139.0**	**8 707.8**	**8 313.6**	**3 649.1**	**22.9**	**3 626.2**
Benin	Jan./Dec.	64.4	12.8	77.2	85.0	51.6	0.0	51.6
Côte D'ivoire	Jan./Dec.	1 314.6	22.4	1 337.0	1 255.0	571.3	10.4	560.9
Ghana	Jan./Dec.	877.3	25.5	902.8	894.3	108.5	4.0	104.5
Guinea	Jan./Dec.	556.8	12.2	569.0	431.0	69.0	1.5	67.5
Liberia	Jan./Dec.	360.0	23.5	383.5	383.0	97.8	3.5	94.3
Nigeria	Jan./Dec.	5 180.0	0.0	5 180.0	5 020.0	2 696.7	0.0	2 696.7
Sierra Leone	Jan./Dec.	146.6	17.4	164.0	170.0	18.1	1.7	16.4
Togo	Jan./Dec.	69.1	25.2	94.3	75.3	36.1	1.8	34.3
Sahelian Countries		**2 720.0**	**223.1**	**2 943.1**	**2 838.4**	**1 450.2**	**177.7**	**1 272.5**
Burkina Faso	Nov./Oct.	283.1	31.8	314.9	281.0	50.6	17.9	32.7
Chad	Nov./Oct.	72.2	86.4	158.6	185.7	153.5	74.6	78.9
Gambia	Nov./Oct.	111.3	5.1	116.4	95.2	73.6	8.7	64.9
Guinea-Bissau	Nov./Oct.	129.2	9.1	138.3	119.3	26.4	0.1	26.3
Mali	Nov./Oct.	257.5	11.3	268.8	226.3	90.4	15.1	75.3
Mauritania	Nov./Oct.	476.0	22.4	498.4	494.1	300.5	12.3	288.2
Niger	Nov./Oct.	293.1	42.7	335.8	451.0	128.4	18.2	110.2
Senegal	Nov./Oct.	1 097.6	14.3	1 111.9	985.8	626.8	30.8	596.0
CENTRAL AFRICA		**1 761.0**	**168.5**	**1 929.5**	**1 947.0**	**596.7**	**27.6**	**569.1**
Cameroon	Jan./Dec.	792.1	6.2	798.3	795.0	271.9	0.7	271.2
Central African Rep.	Jan./Dec.	39.4	19.1	58.5	60.0	15.6	2.5	13.1
Congo	Jan./Dec.	321.5	3.7	325.2	334.0	54.2	1.6	52.6
Congo Dem. Rep.	Jan./Dec.	569.0	133.6	702.6	715.0	238.2	22.8	215.4
Equatorial Guinea	Jan./Dec.	27.8	0.0	27.8	28.0	12.6	0.0	12.6
Sao Tome and Principe	Jan./Dec.	11.2	5.9	17.1	15.0	4.2	0.0	4.2

Table A4b. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2009/10 or 2010 estimates
(thousand tonnes)

		2008/09 or 2009 Actual imports			2009/10 or 2010 Import position[2]			
	Marketing year	Commercial purchases	Food aid	Total commercial and aid	Total import requirements (excl. re-exports)	Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
ASIA		**43 824.1**	**1 319.5**	**45 143.6**	**43 974.7**	**41 125.7**	**586.4**	**40 539.3**
CIS in Asia		6 125.0	93.7	6 218.7	5 270.8	5 270.8	29.4	5 241.4
Armenia	July/June	393.4	1.6	395.0	375.6	375.6	1.0	374.6
Azerbaijan	July/June	1 642.3	0.8	1 643.1	1 072.9	1 072.9	0.0	1 072.9
Georgia	July/June	539.6	19.1	558.7	778.9	778.9	4.0	774.9
Kyrgyzstan	July/June	539.9	10.0	549.9	360.9	360.9	9.1	351.8
Tajikistan	July/June	967.6	62.2	1 029.8	884.0	884.0	15.3	868.7
Turkmenistan	July/June	449.2	0.0	449.2	95.1	95.1	0.0	95.1
Uzbekistan	July/June	1 593.0	0.0	1 593.0	1 703.4	1 703.4	0.0	1 703.4
Far East		**21 460.9**	**731.3**	**22 192.2**	**23 301.7**	**21 963.5**	**324.5**	**21 639.0**
Bangladesh	July/June	2 891.5	153.2	3 044.7	4 150.0	4 150.0	52.2	4 097.8
Bhutan	July/June	56.9	0.0	56.9	56.0	56.0	0.0	56.0
Cambodia	Jan./Dec	36.5	3.5	40.0	40.0	12.6	0.0	12.6
China (Mainland)	July/June	2 239.0	0.0	2 239.0	4 032.0	4 032.0	0.0	4 032.0
D.P.R. of Korea	July/June	551.2	352.5	903.7	1 100.4	303.4	115.5	187.9
India	July/June	141.0	22.5	163.5	408.9	408.9	0.0	408.9
Indonesia	July/June	5 595.3	0.0	5 595.3	5 853.7	5 853.7	0.0	5 853.7
Lao, P.D.R.	Jan./Dec	32.6	2.3	34.9	29.9	16.2	3.0	13.2
Mongolia	July/June	231.4	52.2	283.6	308.6	278.5	0.0	278.5
Nepal	July/June	157.9	32.1	190.0	340.0	340.0	34.3	305.7
Pakistan	July/June	3 004.8	38.7	3 043.5	233.6	233.6	83.6	150.0
Philippines	July/June	5 218.9	10.3	5 229.2	5 588.1	5 588.1	20.6	5 567.5
Sri Lanka	Jan./Dec	1 246.8	58.1	1 304.9	1 112.0	642.0	15.3	626.7
Timor-Leste	July/June	57.1	5.9	63.0	48.5	48.5	0.0	48.5
Near East		**16 238.2**	**494.5**	**16 732.7**	**15 402.2**	**13 891.4**	**232.5**	**13 658.9**
Afghanistan	July/June	2 127.8	456.2	2 584.0	2 515.0	2 515.0	185.6	2 329.4
Iraq	July/June	4 820.0	18.7	4 838.7	5 227.2	5 227.2	17.2	5 210.0
Syrian Arab Republic	July/June	5 468.0	11.9	5 479.9	4 350.0	4 350.0	17.9	4 332.1
Yemen	Jan./Dec	3 822.4	7.7	3 830.1	3 310.0	1 799.2	11.8	1 787.4
CENTRAL AMERICA		**1 570.5**	**203.8**	**1 774.3**	**1 853.7**	**1 853.7**	**68.4**	**1 785.3**
Haiti	July/June	472.0	175.3	647.3	673.0	673.0	65.6	607.4
Honduras	July/June	713.1	9.2	722.3	765.7	765.7	0.7	765.0
Nicaragua	July/June	385.4	19.3	404.7	415.0	415.0	2.1	412.9
OCEANIA		**391.1**	**0.0**	**391.1**	**390.8**	**191.5**	**0.0**	**191.5**
Kiribati	Jan./Dec	8.7	0.0	8.7	8.7	0.0	0.0	0.0
Papua New Guinea	Jan./Dec	331.0	0.0	331.0	330.0	182.8	0.0	182.8
Solomon Is.	Jan./Dec	38.3	0.0	38.3	39.0	8.4	0.0	8.4
Tuvalu	Jan./Dec	1.1	0.0	1.1	1.1	0.0	0.0	0.0
Vanuatu	Jan./Dec	12.0	0.0	12.0	12.0	0.3	0.0	0.3
EUROPE		**102.0**	**0.0**	**102.0**	**86.0**	**86.0**	**0.0**	**86.0**
Republic of Moldova	July/June	102.0	0.0	102.0	86.0	86.0	0.0	86.0
TOTAL		**89 396.6**	**4 823.8**	**94 220.4**	**88 745.8**	**76 629.8**	**2 413.0**	**74 216.8**

Source: FAO

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

[2] Estimates based on information as of late August 2010.

Table A5. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2010/11 estimates
(thousand tonnes)

		2009/10			2010/11			
		Actual imports			Import position[2]			
	Marketing year	Commercial purchases	Food aid	Total commercial and aid	Total import requirements (excl. re-exports)	Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		**22 587.8**	**494.8**	**23 082.6**	**24 116.0**	**2 697.0**	**57.5**	**2 639.5**
Northern Africa		18 897.0	0.0	18 897.0	20 216.0	2 002.0	0.0	2 002.0
Egypt	July/June	15 226.0	0.0	15 226.0	14 445.0	1 987.2	0.0	1 987.2
Morocco	July/June	3 671.0	0.0	3 671.0	5 771.0	14.8	0.0	14.8
Eastern Africa		**1 068.1**	**122.9**	**1 191.0**	**1 103.0**	**58.0**	**0.0**	**58.0**
Somalia	Aug./July	220.0	114.0	334.0	383.0	0.0	0.0	0.0
United Rep. of Tanzania	June/May	848.1	8.9	857.0	720.0	58.0	0.0	58.0
Southern Africa		**2 622.7**	**371.9**	**2 994.6**	**2 797.0**	**637.0**	**57.5**	**579.5**
Angola	April/March	676.0	12.0	688.0	696.0	116.0	0.0	116.0
Lesotho	April/March	226.0	5.0	231.0	216.0	69.8	0.0	69.8
Madagascar	April/March	208.5	17.5	226.0	198.0	73.0	0.7	72.3
Malawi	April/March	109.2	24.8	134.0	180.0	28.8	0.0	28.8
Mozambique	April/March	851.0	125.0	976.0	933.0	225.9	48.0	177.9
Swaziland	May/April	128.0	10.0	138.0	127.0	27.2	0.0	27.2
Zambia	May/April	32.0	1.6	33.6	17.0	2.4	0.0	2.4
Zimbabwe	April/March	392.0	176.0	568.0	430.0	93.9	8.8	85.1
ASIA		**37 633.0**	**440.8**	**38 073.8**	**33 938.3**	**4 803.7**	**47.6**	**4 756.1**
CIS in Asia		5 241.4	29.4	5 270.8	5 244.0	162.1	5.0	157.1
Armenia	July/June	374.6	1.0	375.6	350.0	39.0	0.0	39.0
Azerbaijan	July/June	1 072.9	0.0	1 072.9	979.0	62.7	0.0	62.7
Georgia	July/June	774.9	4.0	778.9	695.0	47.7	0.0	47.7
Kyrgyzstan	July/June	351.8	9.1	360.9	359.0	0.0	0.0	0.0
Tajikistan	July/June	868.7	15.3	884.0	956.0	6.2	5.0	1.2
Turkmenistan	July/June	95.1	0.0	95.1	405.0	3.4	0.0	3.4
Uzbekistan	July/June	1 703.4	0.0	1 703.4	1 500.0	3.1	0.0	3.1
Far East		**20 520.1**	**190.7**	**20 710.8**	**18 074.3**	**4 097.0**	**36.5**	**4 060.5**
Bangladesh	July/June	4 097.8	52.2	4 150.0	2 850.0	769.4	27.3	742.1
Bhutan	July/June	56.0	0.0	56.0	58.0	0.0	0.0	0.0
China (Mainland)	July/June	4 032.0	0.0	4 032.0	3 257.0	1 400.0	0.0	1 400.0
India	April/March	408.9	0.0	408.9	250.0	105.0	7.2	97.8
Indonesia	April/March	5 853.7	0.0	5 853.7	5 944.0	1 381.8	0.0	1 381.8
Nepal	July/June	305.7	34.3	340.0	290.0	32.0	2.0	30.0
Pakistan	May/April	150.0	83.6	233.6	588.9	51.3	0.0	51.3
Philippines	July/June	5 567.5	20.6	5 588.1	4 790.4	357.5	0.0	357.5
Timor-Leste	July/June	48.5	0.0	48.5	46.0	0.0	0.0	0.0
Near East		**11 871.5**	**220.7**	**12 092.2**	**10 620.0**	**544.6**	**6.1**	**538.5**
Afghanistan	July/June	2 329.4	185.6	2 515.0	1 660.0	13.2	6.1	7.1
Iraq	July/June	5 210.0	17.2	5 227.2	4 900.0	423.2	0.0	423.2
Syrian Arab Republic	July/June	4 332.1	17.9	4 350.0	4 060.0	108.2	0.0	108.2
CENTRAL AMERICA		**1 785.3**	**68.4**	**1 853.7**	**1 871.0**	**92.0**	**92.0**	**0.0**
Haiti	July/June	607.4	65.6	673.0	686.0	92.0	92.0	0.0
Honduras	July/June	765.0	0.7	765.7	770.0	0.0	0.0	0.0
Nicaragua	July/June	412.9	2.1	415.0	415.0	0.0	0.0	0.0
EUROPE		**86.0**	**0.0**	**86.0**	**115.0**	**11.2**	**0.0**	**11.2**
Republic of Moldova	July/June	86.0	0.0	86.0	115.0	11.2	0.0	11.2
TOTAL		**62 092.1**	**1 004.0**	**63 096.1**	**60 040.3**	**7 603.9**	**197.1**	**7 406.8**

Source: FAO

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

[2] Estimates based on information as of late August 2010.

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