No. 1 ■ March 2012

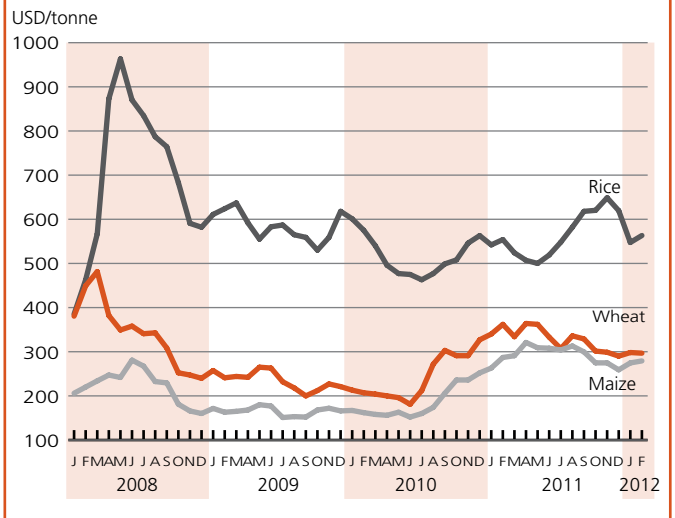
Crop Prospects and Food Situation

HIGHLIGHTS

- **FAO's first forecast for world wheat production in 2012 stands at 690 million tonnes, 10 million tonnes less than last year's record high, but still the second largest crop**. Plantings remain high in response to favourable price prospects but yields are assumed to return to average after bumper levels last year in some countries.
- **International prices of cereals firmed in recent weeks** with tightening wheat supplies and concerns over the impact of severe cold weather in Europe and the CIS. Maize prices also rose, mainly driven by stronger import demand in Asia, supported by a weaker dollar as well as concerns about crop prospects in South America. Rice prices, however, remained under downward pressure on generally weak import demand and stiff competition among exporters.
- **The cereal import bill of Low-Income Food-Deficit Countries (LIFDCs) as a group is anticipated to increase in 2011/12** mainly due to a decline in production and rise in import requirements in the major importing countries.
- **In West Africa, adverse weather conditions in 2011 caused a sharp drop in cereal and pasture production in large parts of the Sahel.** This, combined with high food prices and civil strife, has led to high food insecurity and increased malnutrition in several countries, notably in Burkina Faso, Chad, Mali, Mauritania and Niger.
- **In the Near East, the food security situation has deteriorated in the Syrian Arab Republic and Yemen** following the civil unrest in both countries that disrupted the normal functioning of economic activities.
- **In Eastern Africa, despite some improvement, the food situation of vulnerable groups remains a serious concern, especially in pastoral areas affected by earlier drought.** Furthermore, the food security situation in the Sudan and South Sudan has significantly deteriorated following poor harvests.
- **In Southern Africa, overall crop prospects remain satisfactory.** However, some areas have been affected by dry spells and cyclones.
- **In Far East Asia, prospects for the 2012 wheat crop are generally favourable with the output expected to reach last year's record level** particularly due to good gains in India.
- **In Central America, dry weather conditions reduced plantings of the 2012 secondary maize crop in Mexico.** Elsewhere, good maize harvests are estimated despite losses due to torrential rains during the recently concluded secondary seasons.
- **In South America, a prolonged dry spell affected the 2012 maize crop in Argentina and Brazil** but above-average outputs are still forecast due to increased plantings.

CONTENTS

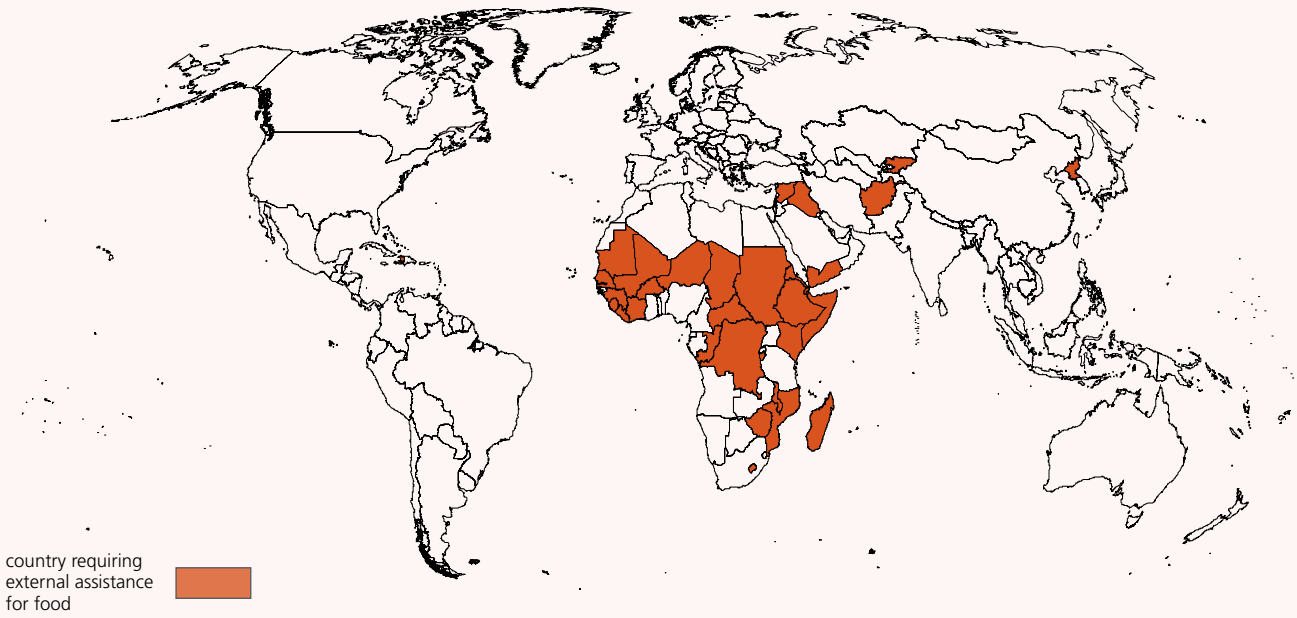
Selected international cereal prices



Note: Prices refer to monthly average. See Table 3 for details

Countries requiring external assistance for food[1]

World: 34 countries



AFRICA (27 countries)

Exceptional shortfall in aggregate food production/supplies

Burkina Faso ▼
Erratic rains and extended dry spells throughout the growing season caused cereal production to fall by 17 percent in 2011. Cereal prices increased steeply across the country. About 1.7 million are estimated to be at risk of food insecurity

Chad ▼
Irregular rains and extended dry spells led to a sharp decline in cereal and pasture output in 2011 in both the southern Sudanian and the northern Sahelian zones of the country. Cereal production dropped by 50 percent in 2011 compared to the previous year. Moreover, large numbers of refugees are located in southern and eastern regions of Chad (over 300 000 people from the Sudan's Darfur region and the Central African Republic). Also, the return of an estimated 79 000 Chadians from Libya is putting additional pressure on the local food supply

Lesotho ■
A significant decline in national 2010/11 cereal production; 514 000 persons categorised as food insecure. Late and erratic rains worsen production prospects for 2011/12

Mali ✚
Cereal production declined by 13 percent in 2011 compared to 2010. Coarse grains prices increased steeply in the recent months in most markets following the reduced harvests. About 3 million people are estimated to be at risk of food insecurity

Mauritania ▼
Cereal production dropped by 53 percent in 2011 due to poor distribution of rainfall. Pasture conditions were also severely affected in the pastoral and agropastoral zones of the country. Moreover, the country is being affected by high international food prices due to its high import dependency. About 700 000 people are estimated to be at risk of food insecurity

Niger ▼
After the severe food crisis that struck the country in 2009/10, erratic rains and extended dry spells throughout the growing season led to a sharp decline in 2011 cereal and pasture output. In addition, large numbers of refugees and returning national migrant workers from Libya placed increasing demand on food: 5.5 million people are estimated to be at risk of food insecurity

Zimbabwe ■
Dry spells in late 2011 and early 2012 jeopardized crop production in southern areas, which were affected by poor production in 2011; however, there is an overall improvement in availability of maize

Widespread lack of access

Djibouti ▼
About 180 000 people, plus about 30 000 refugees from Yemen and Somalia, are in need of humanitarian assistance due to high food prices and the effects on pastoralists of several consecutive poor rainy seasons

Eritrea ■
Vulnerability to food insecurity due to economic constraints and high international food and fuel prices

Liberia ■
Slow recovery from war related damage. Inadequate social services and infrastructure, as well as poor market access and high food prices. Massive influx of refugees from Côte d'Ivoire: about 138 000 Ivorian refugees were still living in Liberia as of mid October 2011

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

Severe localized food insecurity

Burundi ▼
Low food stocks and high prices, particularly impacting deficit producing Cankuzo area, while heavy rains caused a drop in food production for the 2012 minor season

Central African Republic ■
Civil insecurity restricts access to agricultural land and food

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

Côte d'Ivoire ▲
Conflict-related damage to agriculture in recent years and the lack of support services mainly in the northern regions. The recent post-election crisis has forced thousands of people to leave the country and seek refuge mostly in eastern Liberia, where about 138 000 Ivorian refugees were still living as of mid-October 2011

Democratic Republic of the Congo ■
Civil strife, internally displaced persons, returnees and high food prices

Ethiopia ▲
About 3.2 million people are in need of relief food assistance due to lingering effects of the 2011 drought in southern and southeastern pastoral areas and in some secondary *belg* season crop producing areas

Gambia ✚
Production shortfalls and high food prices led to a deterioration of the food security situation in several parts of the country. About 500 000 people are estimated to be seriously affected

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

Kenya ▲
An estimated 3.75 million people (plus about 520 000 refugees) are food insecure in agro-pastoralist areas in northern and north-eastern districts that had two to three consecutive dry weather seasons

Madagascar ▼
Cyclones in early 2012 damage homesteads and crops, aggravating food security conditions of the affected population. However, improved production in southern areas alleviated conditions during 2011

Malawi ▼
Production shortfalls in southern districts and a rapid rise in maize prices aggravate food insecurity conditions. Food distributions are targeting vulnerable households in southern districts

Mozambique ▼
Steady prices help to stabilise food security conditions, but areas affected by cyclone damage in early 2012 are a concern

Senegal ✚
Production shortfalls and high food prices led to a deterioration of the food security situation in several parts of the country

Somalia ▲
About 2.3 million people are in need of emergency assistance due to the past severe drought, the ongoing civil conflict and limitations in delivering humanitarian assistance

South Sudan ▼
About 1 million people are estimated to be food insecure due to low 2011 cereal production, civil insecurity, trade restrictions; high food prices and increasing demand by IDPs and returnees

Sudan ▼
About 4.2 million people are in need of food assistance (including about 2 million IDPs in Darfur), due to a very low 2011 cereal production, civil insecurity (mainly in South Kordofan, Blue Nile and Darfur) and high food prices

ASIA (6 countries)

Exceptional shortfall in aggregate food production/supplies

Iraq ■
Severe civil insecurity

Widespread lack of access

Democratic People's Republic of Korea ▲
In spite of the improved food production this year, economic constraints and lack of agricultural inputs continue to lead to inadequate food supplies. Earlier severe winter conditions reduced wheat harvest and damaged stored seed potatoes; recent floods reduced the main harvest

Yemen ▼
Severe food insecurity persists as a result of recent socio-political unrest, high food prices, internally displaced persons (about 300 000 people still in camps) and refugees (about 170 000 people)

Severe localized food insecurity

Afghanistan ▲
Drought, conflict, insecurity and high food prices. Moderately food insecure areas are in the centre and northeast of the country. Poor 2011 wheat harvest exacerbated food insecurity

Kyrgyzstan ■
Lingering effects of socio-political conflict since June 2010 in Jalalabad, Osh and Batken Oblasts; and high prices of staple food after their sharp rise since July 2010

Syrian Arab Republic ✚
Prolonged social unrest is causing disruptions in food distribution channels in several markets

LATIN AMERICA AND THE CARIBBEAN (1 country)

Severe localized food insecurity

Haiti ▲
Lingering effects of devastating earthquake of January 2010 and cholera epidemic. Food insecurity improves with a drop in the cholera fatality rate

Key - Changes since last report (December 2011)

No change ■ Improving ▲ Deteriorating ▼ New Entry ✚

Terminology

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

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

[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 a reduction of the area planted and/or yields due to adverse weather conditions, plant pests, diseases and other calamities.

Global overview

EARLY PROSPECTS FOR 2012 CROPS

Overall favourable outlook for global 2012 wheat production

At this stage of the season, with the bulk of the coarse grains and paddy crops yet to be planted in the coming months, it is still too early for even a preliminary forecast of global **cereal** output in 2012. For wheat, however, in the northern hemisphere, which accounts for the bulk of the global production, winter crops are already developing or are soon to come out of dormancy, while spring planting is underway in some countries and a preliminary picture of global prospects is already available.

FAO's first forecast for world **wheat** production in 2012 stands at 690 million tonnes, representing a reduction of 1.4 percent from the record 2011 harvest but still well above the average of the past five years. Although plantings have increased or are forecast to increase in many countries in response to continuing strong prices, a return to average yields is expected in areas where record highs were achieved last year.

In **Europe**, the 2012 wheat area in the **EU** is forecast to rise marginally to just above the average of the past five years, although assuming normal growing conditions for the remainder of the season, output is seen to remain virtually unchanged from the 2011 level at 138 million tonnes. Yield recovery in west EU countries that were affected by drought last year could be offset by a return to normal yields in some central and southeast EU countries, where above-average yields were achieved in 2011. In **the Russian Federation**, the winter wheat is reported to be in satisfactory condition with generally adequate snowcover protecting crops during a period of severe cold temperatures, except in some southern areas. Winter wheat plantings increased significantly compared to last year, reflecting favourable sowing conditions. Some increase in the spring wheat area is also forecast. Assuming normal growing conditions for the remainder of the season, output is forecast to remain virtually unchanged from last year's relatively good level at 56 million tonnes. By contrast in the **Ukraine**, the winter wheat outlook is less favourable given the reduced winter plantings due to dryness and higher winterkill following a period of severe low temperatures with limited snowcover. Although some replanting with spring wheat is expected, at this stage wheat output in 2012 is forecast to fall from last year's above-average level.

In **North America**, early indications for wheat production in the **United States** point to a 10 percent recovery from the below-average crop last year. Winter plantings are estimated to be some 3 percent up from the previous year's level and early indications point to a larger area of spring wheat also. Coupled with reduced abandonment expected in areas that suffered from drought last year, the countries aggregate crop is tentatively forecast to reach 60 million tonnes in 2012. In **Canada**, the bulk of the wheat is spring planted during March and April and farmers are expected to expand the area significantly bringing back into production a lot of land that was too wet to plant last spring.

In **Asia**, prospects for the 2012 wheat crop, to be harvested from April, are mostly favourable in the main producing countries. In **China**, although no significant change in area is expected, output may fall slightly from last year's record high, assuming a return to average yields after the bumper 2011 levels. In **India** and **Pakistan**, record high crops are forecast, reflecting adequate supplies of water for these mostly irrigated crops and good price prospects encouraging an increased use of inputs to boost yields. In the Asian CIS subregion, **Kazakhstan** is the

Table 1. Wheat production: leading producers [1]
(million tonnes)

	Average 2009-11	2010	2011 estimate	2012 forecast	Change: 2012 over 2011 (%)
European Union	137.7	136.4	138.0	138.0	0.0
China (Mainland)	116.1	115.2	117.9	115.5	-2.0
India	82.8	80.8	86.9	88.3	1.6
United States of America	58.3	60.1	54.4	60.0	10.3
Russian Federation	53.1	41.5	56.2	56.0	-0.4
Australia	26.4	27.9	29.5	25.0	-15.3
Canada	25.1	23.2	25.3	25.6	1.1
Pakistan	23.9	23.3	24.3	24.4	0.4
Turkey	20.7	19.7	21.8	19.5	-10.5
Ukraine	20.0	16.9	22.3	19.0	-14.8
Kazakhstan	16.4	9.6	22.5	21.0	-6.7
Iran Islamic Rep. of	14.0	15.0	14.0	14.0	0.0
Argentina	12.7	15.8	13.4	13.0	-2.9
Egypt	8.0	7.2	8.4	8.4	0.0
Uzbekistan	6.6	6.7	6.4	6.4	-0.5
World	**680.5**	**655.9**	**700.0**	**690.0**	-1.4

[1] Countries ranked according to average production 2009-11.

major producer and the bulk of the crop is yet to be sown this spring. Given large surpluses still exist after the record harvest last year, this year's wheat area is expected to be reduced in favour of alternative crops and a smaller output is expected. In the **Near East**, prospects for the winter wheat crop are reported to be favourable reflecting ample moisture reserves from winter precipitation which will be beneficial for the development of crops as they come out of their winter dormancy.

In **North Africa**, early prospects for the 2012 wheat crops are mixed. Prospects are good in **Egypt** where crops are mostly irrigated and water supplies are adequate but less favourable in **Morocco**, where plantings were affected by dry weather and good rains are needed soon to prevent a significant loss of yield potential.

In the southern hemisphere, the major wheat crops will be sown later this year. In **Australia**, where planting starts from April, early indications point to another good crop, although some reduction from the 2011 record is likely.

Figure 1. World cereal production and utilization

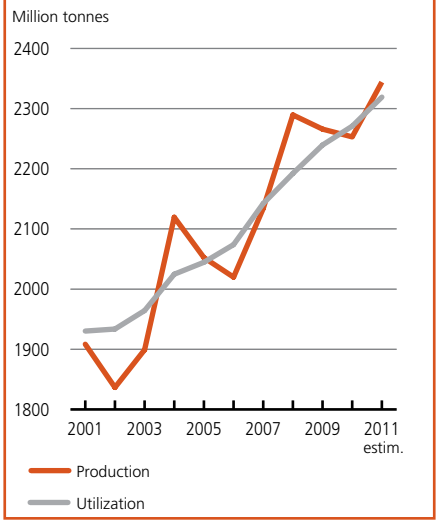
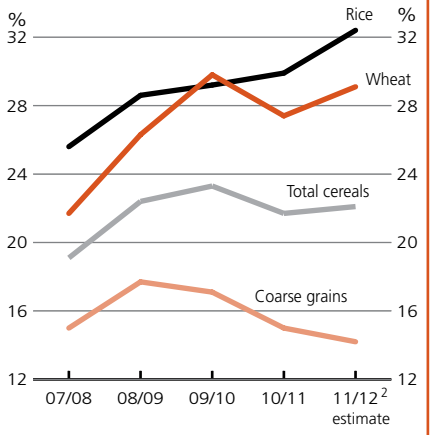


Figure 2. Ratio of world cereal stocks to utilization[1]



1 Compares closing stocks with utilization in following season.
2 Utilization in 2011/12 is a trend value based on extrapolation from the 2000/01-2010/11 period.

Mixed outlook for southern hemisphere 2012 coarse grain crops

The major **coarse grain** crops in the northern hemisphere are yet to be sown but in the southern hemisphere the season is well advanced. In **South America**, many crops throughout the subregion are suffering the effects of adverse weather extremes linked to La Niña. In **Brazil**, farmers are planting more second season maize to compensate for low main season yield prospects due to dry weather, and the aggregate 2012 output is forecast to reach a new record high of 60 million tonnes. In **Argentina**, adversely dry and hot weather in December and January has negatively affected maize yield prospects and output is expected to fall from last year's record although remaining above average. In several other parts in the subregion, the 2012 coarse grains have been affected by either too dry or too wet conditions or a combination of both.

In **Southern Africa**, the outlook for the main maize crop, to be harvested from March, is mixed, largely reflecting

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

	2009/10	2010/11 estimate	2011/12 forecast	Change: 2011/12 over 2010/11 (%)
PRODUCTION [1]				
World	**2 265.9**	**2 253.0**	**2 343.8**	**4.0**
Developing countries	1 242.1	1 313.7	1 345.6	2.4
Developed countries	1 023.8	939.4	998.2	6.3
TRADE [2]				
World	**275.9**	**281.6**	**289.2**	**2.7**
Developing countries	74.3	90.6	91.1	0.6
Developed countries	201.6	191.0	198.1	3.7
UTILIZATION				
World	**2 239.5**	**2 270.8**	**2 319.1**	**2.1**
Developing countries	1 375.1	1 424.6	1 462.5	2.7
Developed countries	864.5	846.3	856.5	1.2
Per caput cereal food use *(kg per year)*	152.4	153.4	153.7	0.2
STOCKS [3]				
World	**528.5**	**503.7**	**518.2**	**2.9**
Developing countries	339.9	351.5	365.4	4.0
Developed countries	188.6	152.3	152.8	0.3
WORLD STOCK-TO-USE RATIO%	23.3	21.7	22.1	1.7

Note: Totals and percentage change computed from unrounded data.

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

[2] For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown.

[3] Data are based on an aggregate of carryovers level at the end of national crop years and, therefore, do not represent world stock levels at any point in time.

uneven rains through the growing season. Adversely dry conditions have compromised production in some areas, while in others, productivity may be suppressed due to flooding. Official production forecasts are not yet available, but preliminary indications point to a possible reduction in the area planted to maize in **Zambia**, **Zimbabwe** and **Lesotho** compared with the previous season, but a comparable area planted in **Malawi** and **Mozambique**. Remote sensing data shows generally satisfactory maize crop conditions, with the exception of southern and central parts of Mozambique, southern Malawi, and southern and parts of northeastern Zimbabwe, reflecting poor rains. In **South Africa,** the largest producer in the subregion, early production forecasts point to a crop of about 12.3 million tonnes, despite dry conditions in October and November that undermined and delayed planting activities. The current forecast is 12 percent larger than last season's output, reflecting increased plantings this season, but still remains approximately 1 million tonnes below the record harvest in 2010.

First 2012 rice crops already being harvested along the south of the equator

In the southern hemisphere and along the equatorial belt, the first 2012 paddy crops are already being harvested. In **Indonesia**, the Government is targeting a 4 percent increase in output in 2012, although prospects remain uncertain amid excessive precipitation hampering the main crop. On the other hand, **Sri Lanka** is reported to have recently reaped a bumper Maha (main) crop. Abundant water availability also boosted plantings and production in **Australia**. By contrast, in South America, relatively low producer prices are likely to prompt a sizeable retreat from rice cultivation in **Argentina**, **Brazil** and **Uruguay**, likely to curb production in 2012.

2011/12 SUPPLY AND DEMAND

The estimate of world cereal output in 2011 rose further

The record cereal crop harvested in 2011 helped to replenish world stocks and tended to lower prices during the second half of the year. However, since the beginning of 2012, a weaker US Dollar and plunging freight rates have underpinned import demand. This, combined with unfavourable weather conditions in major exporting countries - including excessive cold across much of Europe and the CIS, unseasonably dry conditions in the southwest United States and inadequate precipitation in South America - have supported world prices in recent weeks.

The FAO estimate for world **cereal production** in 2011 has been revised upward to 2 344 million tonnes, 4 percent above the previous year's crop and a new high. Global wheat output is now estimated to have risen by 6.7 percent to a record 700 million tonnes, higher than predicted earlier after the recent harvests in the three main producing countries in the southern hemisphere turned out to be larger than expected. For coarse grains, the estimate of world output in 2011 has been raised to 1 163 million tonnes, mainly to reflect larger estimated maize production in China, representing a 3 percent increase from the previous year. Rice output in 2011 is forecast at nearly 481 million tonnes (milled rice equivalent), 2.9 percent up from 2010, sustained by sizeable gains in the major producing countries in Asia.

World **cereal utilization** in 2011/12 is forecast to increase by over 2 percent to 2 319 million tonnes, around 10 million tonnes more than the earlier forecast. Per caput consumption of cereals as food is estimated to average almost 154 kg, up marginally from the previous season, with most of the gain concentrated in Asia. Among the major cereals, total wheat utilization is anticipated to register the sharpest year-to-year growth, increasing by 3.8 percent to 688 million tonnes, which is about 6 million tonnes higher than the previous forecast. At this level, wheat utilization would exceed its ten-year trend value by 3.3 percent. Large quantities of low quality wheat and its competitive prices have boosted its use as feed by 12.5 percent to an all-time high of 135 million tonnes in 2011/12. Total utilization of coarse grains is forecast to grow by 1.2 percent, to 1 161 million tonnes, slightly more than anticipated earlier. However, it would still fall short by 1.5 percent of its ten-year trend, reflecting a sharp decrease in industrial usage of coarse grains, especially maize for the production of ethanol. Global rice utilization is forecast to expand by around 2 percent to nearly 470 million tonnes, with average per caput rice consumption stable around 57 kg.

The record cereal production in 2011 will boost world **cereal stocks**. Based on the latest forecasts, by the close of seasons in 2012, these could reach 518 million tonnes, 14.5 million tonnes (2.9 percent) above their opening level and 2 million tonnes higher than anticipated in February. As a result, the world cereal stocks-to-use ratio for 2011/12 would rise slightly to 22.1 percent compared to the previous season but still remaining short of the 23.3 percent reached in 2009/10. Among the major cereals, rice and wheat inventories are forecast to increase the sharpest, uplifting their stock-to-use ratios to 32.4 percent and 29.1 percent respectively, well above their ten-year averages. Most of the increase in wheat stocks is expected in the CIS countries while for rice, the biggest increases in stocks are in China and India. However, world coarse grain inventories are expected to be drawn down by nearly 2 percent (3.3 million tonnes), bringing the stock-to-use ratio down to a historical low of 14.2 percent from 15.0 percent in the previous season. The reduction is mostly driven by a sharp

fall in the level of maize stocks held in the United States.

World **cereal trade** in 2011/12 is forecast to surpass the 2008/09 record of 282 million tonnes and expand to 289 million tonnes, 7.6 million tonnes (2.7 percent) higher than in 2010/11. This sharp expansion in global cereal trade is mostly on account of an 8 percent surge in wheat exports to 135 million tonnes, boosted by the recovery in exportable supplies in the CIS exporting countries and strong import demand. Particularly large increases in wheat imports are expected in China, EU, Indonesia and Islamic Republic of Iran. World trade in coarse grains is forecast at 121 million tonnes, down slightly from the previous season and well below its peak of 130.5 million tonnes in 2007/08. A sharp rise in imports by China as well as higher imports by Japan, Mexico and Saudi Arabia are expected to be more than offset by reductions in imports by the EU and the Republic of Korea. As regards rice, reduced purchases by traditionally large importers are expected to depress rice trade in 2012 by 5.2 percent to 33.2 million tonnes.

INTERNATIONAL PRICE ROUNDUP

International prices of cereals remain high

The FAO Cereal Price Index averaged 227 points in February, up 2 percent (4.4 points) from January. International wheat prices rose most followed by maize, while rice quotations were generally lower.

Wheat markets were supported by tightening supplies and concerns over the impact of severe cold weather on this year's crops in Europe and the CIS region. International prices of wheat remained firm in February with prices from most origins rising although the benchmark US wheat price (No.2 Hard Red Winter, f.o.b.) averaged USD 297 per tonne, nearly unchanged from January but over 2 percent higher than in December 2011.

Maize prices also rose in February, mainly driven by stronger import demand in Asia, supported by weaker dollar and lower freight rates, as well as concerns about crop prospects in South America. The benchmark US maize price (Yellow, No.2, f.o.b.) averaged USD 279 per tonne, up nearly 2 percent from January and almost 8 percent higher than in December 2011.

According to the FAO All Rice Price Index, international rice prices dropped in February 2012 for the third consecutive month, reflecting strong competition among exporters and weak import demand. However, quotations of the Thai white rice 100% B, which is normally used as the benchmark for the market, increased by 3 percent to USD 563 per tonne in February, after marked declines in December and January. The recent rebound mainly reflects the extension of the Government rice pledging programme until the end of June 2012, to cover the secondary paddy crop. By contrast, export prices from Viet Nam declined on expectation of a bumper winter/spring harvest.

Table 3. Cereal export prices*

(USD/tonne)

	2011					2012	
	Feb	Sept	Oct	Nov	Dec	Jan	Feb
United States							
Wheat[1]	362	329	301	299	290	298	297
Maize[2]	287	300	275	275	259	275	279
Sorghum[2]	276	285	265	275	261	271	268
Argentina[3]							
Wheat	347	300	260	239	224	249	263
Maize	288	294	276	271	242	258	267
Thailand[4]							
Rice, white[5]	554	618	620	649	620	548	563
Rice, broken[6]	433	497	505	553	560	515	530

*Prices refer to the monthly average.

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

[2] No.2 Yellow, Gulf.

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

[4] Indicative traded prices.

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

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

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

Early prospects for the 2012 cereal crops are mixed in LIFDCs

In the northern hemisphere, harvesting of the main winter cereal crops, primarily wheat and barley, generally begins in April, with the bulk of the harvest starting from June, while in the southern hemisphere, harvesting of the main summer (wet) season crops, primarily maize, begins in March-April. Early prospects for the 2012 cereal production are mixed in the group of 66 LIFDCs. In **Southern Africa**, the current prospects for the 2012 main maize crop vary. Crop yields are expected to be compromised in southern **Malawi** and parts of **Zimbabwe,** as well as in **Mozambique** and parts of **Madagascar** due to poor rains and damage caused by consecutive cyclones. In **Eastern Africa**, following above average rains that started on time or earlier than usual, prospects for the secondary "short rains" cereal crops are generally good especially in **Kenya**, **Somalia**, the **United Republic of Tanzania** and **Uganda**. Similarly, the early outlook for the 2012 winter wheat and barley is favourable in **Egypt** and in **Near East** countries, due to favourable rains and snowfall. In the **Far East**, the outlook for the 2012 mostly irrigated main winter wheat and secondary rice crops is promising in **India**, **Indonesia**, **the Philippines** and **Sri Lanka.** In India, the official estimate projects a record wheat crop production in 2012. Elsewhere in the subregion, prospects for the harvest are uncertain due to erratic rainfall performance. By contrast, in **CIS in Asia** countries and **Europe**, cold weather and frost as well as lack of adequate soil moisture may have partially affected winter crops in some countries and overall prospects at this early stage remain uncertain.

2011 aggregate cereal production of the LIFDCs increased modestly with mixed performance in individual countries

With the 2011 cereal harvest almost complete, FAO's latest estimate puts the annual cereal production for the 66 LIFDCs as a group at a record level of 524 million tonnes, slightly above the previous record output in 2010. This largely reflects increases in production in the **Far East**, despite the localized flooding in several countries of Asia, where the aggregate production reached a record level of about 369.5 million tonnes, 3.7 percent over the 2010 harvest. However, excluding **India**, the largest cereal producing country in this group accounting for about 63 percent of the output, the aggregate production of the remaining 65 LIFDCs declined by about 2 percent to 292.3 million tonnes. Similarly, above average or record harvests were gathered in **North Africa**, **Southern Africa**, **Central America**, **Oceania** and **Europe** (Republic of Moldova), with increases between 1.4 and 9.3 percent. On the other hand, a major decrease of about 18 percent, has been recorded in the **Near East**, with significant reductions in **Afghanistan** (24.2 percent), **Iraq** (18.1 percent) and **the Syrian Arab Republic** (9.6 percent) attributed to dry weather and warmer than usual temperatures during the agricultural season. Similarly, in **Central** and **Western Africa**, the output decreased, the latter experiencing a significant drop of about 8 percent in production following the adverse weather conditions. In **Eastern Africa,** a prolonged drought in southern **Ethiopia**, northeastern **Kenya**, southern and central

Table 4. Basic facts of the Low-Income Food-Deficit Countries (LIFDCs) cereal situation *(million tonnes, rice in milled basis)*

	2009/10	2010/11 estimate	2011/12 forecast	Change: 2011/12 over 2010/11 *(%)*
Cereal production[1]	**484.5**	**518.7**	**524.0**	**1.0**
excluding India	280.8	298.5	292.4	-2.1
Utilization	**552.0**	**576.9**	**587.8**	**1.9**
Food use	443.9	459.2	468.4	2.0
excluding India	260.5	269.3	275.6	2.3
Per caput cereal food use *(kg per year)*	0.2	0.2	0.2	0.3
excluding India	0.2	0.2	0.2	0.4
Feed	49.3	53.4	55.7	4.3
excluding India	42.7	45.3	46.1	1.7
End of season stocks[2]	**102.8**	**109.2**	**111.0**	**1.6**
excluding India	59.5	64.9	63.2	-2.7

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

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

[1] **The Low-Income Food-Deficit (LIFDC) group of countries** includes net food deficit countries with annual per caput income below the level used by World Bank to determine eligibility for IDA assistance (i.e. USD 1905 in 2009). The 2012 FAO list of LIFDCs includes 66 countries as opposed to 70 on the 2011 list. The countries that graduated from the list are Pakistan, due to reduced imports, Turkmenistan, Tuvalu and Vanuatu due to income criteria. For full details see: http://www.fao.org/countryprofiles/lifdc.asp.

Somalia reduced the cereal harvest by about 6.7 percent compared to the previous year's record level.

Cereal imports and cereal import bill to increase in 2011/12

Despite an overall improved 2011 cereal production, the aggregate import requirement of LIFDCs for the 2011/12 marketing year is forecast to increase to 84.3 million tonnes, some 7.4 percent above the previous year's level. This reflects higher imports in large importing countries in the **Near East** (such as **Afghanistan**, **Iraq** and **the Syrian Arab Republic**), **Eastern Africa** and the **CIS**. Similarly, in **North** and **Southern Africa**, despite the overall increase in aggregate subregional production, import requirements are estimated to rise due to a lower harvest in the main importing countries. Among the subregions, only in **Central America** and **Far East** a decrease in cereal imports is expected, following the overall bumper harvests and improved food availability in major importing countries. However, in **Indonesia**, the cereal import requirements are expected to increase significantly due to the reduced harvest in 2011 while in **Bangladesh** the import requirements are projected to decrease mainly due to the higher than usual imports and carryover stocks last year.

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

	2009	2010	2011 estimate	Change: 2011 over 2010 (%)
Africa *(39 countries)*	**120.7**	**132.0**	**127.3**	**-3.6**
North Africa	20.9	18.8	20.5	9.3
Eastern Africa	33.1	39.5	36.9	-6.7
Southern Africa	13.6	14.8	15.3	3.9
Western Africa	49.6	55.3	51.0	-7.8
Central Africa	3.5	3.6	3.5	-2.2
Asia *(20 countries)*	**359.6**	**382.2**	**392.1**	**2.6**
CIS in Asia	10.4	10.0	9.7	-2.8
Far East	334.9	356.5	369.5	3.7
- India	203.7	220.2	231.7	5.2
Near East	14.3	15.7	12.9	-18.3
Central America *(3 countries)*	**2.0**	**2.1**	**2.2**	**7.1**
Oceania *(3 countries)*	**0.0**	**0.0**	**0.0**	**1.4**
Europe *(1 country)*	**2.2**	**2.4**	**2.5**	**2.8**
LIFDC *(66 countries)*	**484.5**	**518.7**	**524.0**	**1.0**

Note: Totals and percentage change computed from unrounded data.

[1] Includes rice in milled terms.

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

	2010/11 or 2011	2011/12 or 2012			
		Requirements[1]		Import position[2]	
	Actual imports	Total imports:	*of which food aid*	Total imports:	*of which food aid pledges*
Africa *(39 countries)*	**39 790**	**42 289**	**2 697**	**11 576**	**749**
North Africa	16 061	16 671	0	8 602	0
Eastern Africa	6 854	8 375	2 057	1 431	546
Southern Africa	1 758	1 910	203	1 079	123
Western Africa	13 200	13 401	293	461	77
Central Africa	1 918	1 932	144	4	4
Asia *(20 countries)*	**36 433**	**39 774**	**952**	**10 856**	**128**
CIS in Asia	3 880	4 686	0	2 841	0
Far East	21 547	20 928	675	5 738	128
Near East	11 007	14 160	277	2 276	0
Central America *(3 countries)*	**1 805**	**1 751**	**135**	**406**	**16**
Oceania *(3 countries)*	**422**	**430**	**0**	**0**	**0**
Europe *(1 country)*	**81**	**97**	**0**	**45**	**0**
Total *(66 countries)*	**78 533**	**84 341**	**3 784**	**22 883**	**893**

Note: Totals computed from unrounded data.

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

[2] Estimates based on information available as of early February 2012.

Corresponding with the increase in overall import volumes in 2011/12, the net cereal import bill of the LIFDCs is anticipated to reach a record level of USD 32.62 billion, slightly above the 2010/11 estimate. The latest FAO forecast indicates an increase in import bills by 6.7 percent for wheat and 27.4 percent for coarse grains respectively. On the contrary, the import bill for rice is forecast to fall by 21 percent, due to the anticipated fall in both the volume of imports and prices during the year.

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

	2006/07	2007/08	2008/09	2009/10	2010/11 estimate	2011/12 f'cast
LIFDC	**20 763**	**32 242**	**25 034**	**24 466**	**32 278**	**32 623**
Africa	9 346	16 524	13 020	12 275	15 976	16 443
Asia	10 934	14 825	11 452	11 593	15 447	15 355
Latin America and Caribbean	378	605	410	442	635	608
Oceania	94	165	118	129	187	178
Europe	10	123	35	26	33	38
Wheat	12 382	18 960	16 308	14 220	18 252	19 476
Coarse grains	2 558	3 644	3 247	3 095	4 268	5 436
Rice	5 823	9 637	5 479	7 150	9 759	7 711

Regional reviews

Africa

North Africa

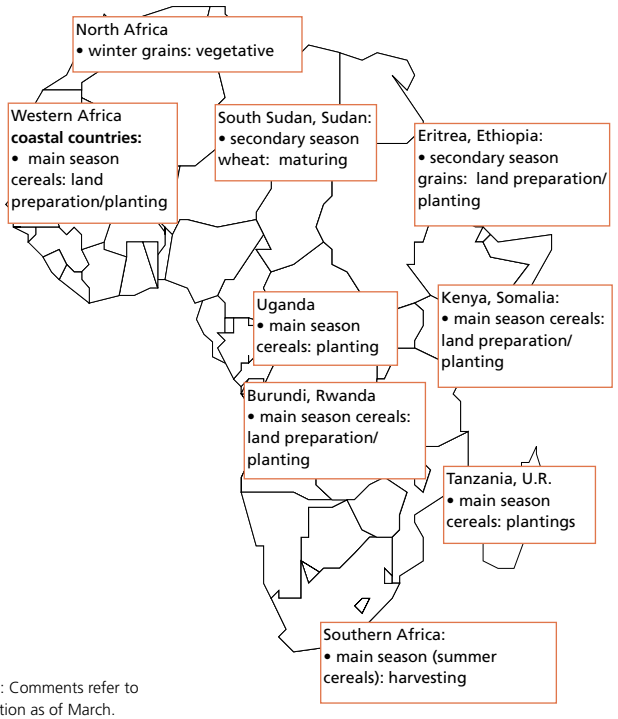
Early prospects for the 2012 winter crops are mixed

n **North Africa**, early prospects for the 2012 winter wheat and coarse grains crops, to be harvested from May, are mixed. In **Morocco**, land preparation and plantings were affected by below-normal rains in November and December. Timely rains will be crucial during the next few months to avoid loss of yield potential. By contrast, in **Tunisia**, although there have been localized floods, a good cereal production is expected this year owing to favourable weather since the beginning of the cropping season and government support towards the agriculture sector. In **Egypt**, the largest producer in the subregion where most crops are irrigated, weather conditions were also reported to be generally satisfactory and an average to above-average cereal output is anticipated.

The subregion's 2011 aggregate output of wheat (the main crop) is estimated at 18.8 million tonnes, 17 percent up from the average harvest in 2010. The production of coarse grains is estimated at about 13 million tonnes, a slight increase over 2010. Moreover, rice output increased by 12 percent to 5.8 million tonnes. Thus, the subregion's 2011 aggregate cereal production is estimated at 37.7 million tonnes, 10.3 percent up from the 2010 but 10 percent below the bumper harvest of 2009. The relatively good production in 2011 was mostly the result of adequate rains and water availability in the main growing areas of Egypt, Morocco and Tunisia.

Imports expected to remain high in 2011/12

Import requirements for the marketing year 2011/12 (July/June) are expected to be slightly lower than the previous year, following the good harvest of 2011. However, the subregion will still import about 23 million tonnes of wheat in the 2011/12 marketing year, well above the average of the previous five years. 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 with about 10 million tonnes of imports in 2010/11.



Note: Comments refer to situation as of March.

Humanitarian assistance needs for the refugees and returnees from Libya continue

Although the socio-political situation in **Libya** is slowly improving, the humanitarian needs of the refugees and returnees continue. The civil strife in Libya resulted in high levels of population displacements, both internally and externally. In response to the humanitarian situation, a regional Emergency Operation was initiated by WFP in March 2011 to distribute food to about 1.5 million people in Libya, Tunisia and Egypt, which was subsequently

Table 8. North Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
North Africa	**20.3**	**16.1**	**18.8**	**16.0**	**12.9**	**13.0**	**5.6**	**5.2**	**5.8**	**41.9**	**34.2**	**37.7**	**10.3**
Algeria	3.6	3.1	2.8	2.5	1.6	1.5	0.0	0.0	0.0	6.1	4.7	4.2	-10.5
Egypt	8.5	7.2	8.4	8.5	8.0	8.2	5.5	5.2	5.8	22.6	20.4	22.3	9.6
Morocco	6.4	4.9	6.0	4.0	2.8	2.6	0.0	0.0	0.0	10.4	7.7	8.6	11.3
Tunisia	1.7	0.8	1.6	0.9	0.3	0.7	0.0	0.0	0.0	2.5	1.1	2.3	113.9

Note: Totals and percentage change computed from unrounded data.

extended until February 2012 to cover a total of almost 1.6 million beneficiaries. According to the Libya Humanitarian Relief Agency (LibAid), as of early December, there were almost 63 000 registered IDPs in need of humanitarian assistance, but their actual number is believed to be higher.

Table 9. Western Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals [1]			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Western Africa	**42.3**	**47.3**	**43.1**	**11.5**	**12.5**	**12.4**	**53.9**	**59.9**	**55.6**	**-7.2**
Burkina Faso	3.4	4.3	3.5	0.2	0.3	0.2	3.6	4.6	3.8	-17.0
Chad	1.4	3.0	1.5	0.1	0.2	0.2	1.6	3.2	1.6	-50.0
Ghana	2.2	2.4	2.5	0.4	0.5	0.5	2.6	2.9	3.0	3.0
Mali	4.4	4.1	3.7	2.0	2.3	1.9	6.3	6.4	5.6	-13.4
Niger	3.4	5.2	3.7	0.1	0.1	0.1	3.5	5.3	3.8	-27.1
Nigeria	21.3	22.3	21.8	4.3	4.2	4.3	25.7	26.5	26.1	-1.4

Note: Totals and percentage change computed from unrounded data.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

Western Africa

Irregular rains in 2011 affected cereal production and pasture across the Sahel

In **Western Africa**, there is little agricultural activity in this period, except for limited cultivation of some off-season crops.

In 2011, adverse weather conditions led to a significant drop in production in large parts of the Sahel. The 2011 aggregate cereal production in the nine Sahelian countries is provisionally estimated at some 16.5 million tonnes, 25 percent lower than the 2010 bumper crop and 4 percent below the average of the previous five years. The most seriously affected countries were **Mauritania**, **Chad** and **Niger** where production is estimated to have fallen by 52, 50 and 27 percent, respectively, compared to 2010. Large areas of **Burkina Faso, Mali, Senegal** and **the Gambia** were also hard hit. In addition to the decline in cereal production, pasture conditions were severely affected in the pastoral and agropastoral zones of these countries. By contrast, weather conditions were more favourable in the coastal countries along the Gulf of Guinea, partially compensating the drop in production in the Sahelian countries. As a result, the 2011 aggregate cereal production in the subregion, estimated at about 55.6 million tonnes, is 7.2 percent below the 2010 record but 4 percent above average.

Cereal prices at record level in several Sahelian countries

The impact of a drop in 2011 cereal production at the regional level has been exacerbated by civil strife and insecurity in several parts of the subregion, notably in northern Mali and northern Nigeria, leading to population displacement and disrupted trade flows. Moreover, several countries have imposed trade restrictions in response to the lower harvests and limited supplies. As a result, unlike normal seasonal patterns, prices of locally-produced cereals (maize, millet and sorghum) increased sharply since the harvest in October/November. Currently, these cereal prices are well above the levels of the same time last year in all monitored markets of the subregion. For instance, millet prices in markets in **Mali** (Bamako), **Niger** (Niamey) and **Burkina Faso** (Ouagadougou) in early February 2012 were, respectively, 69, 35 and 33 percent higher than in February 2011 and at near-record to record levels. In **Chad**, millet prices in January 2012 were about 41 percent above their levels of the previous year in the capital N'Djamena and 133 percent in the Moundou market, located in a major cereal production area in the Southern Sudanian zone. Similarly in **Nigeria**, prices of maize and sorghum increased over the same period by 22 percent in Dawanau international grains market in Kano, the biggest in the subregion. Increased fuel costs, in addition, have exerted upward pressure on cereal prices.

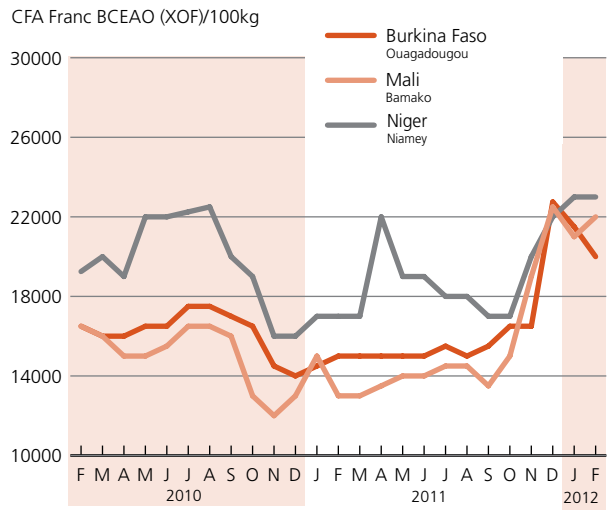
This year's drop in coarse grain production occurred against a backdrop of high international food prices, leading to increased prices of imported commodities in the domestic markets. In **Mauritania**, the country with the highest import dependency ratio, wheat prices in January 2012 were some 50 percent higher than in July 2010 when they started increasing following trends in the international market. Imported rice prices, which were already following an upward trend in recent months in **Chad**, increased sharply in January 2012 in the capital N'Djamena and were about 28 percent higher than in January 2011. They remained firm in February in **Niger** and **Burkina Faso**.

High international commodity prices, depreciation of local currencies against the US Dollar and increased transport costs are fuelling food price inflation in several cereal import dependent countries, notably in **Guinea**, **Liberia**, **Sierra Leone** and **the Gambia**.

The food insecurity situation is of grave concern in the Sahel

In addition to the reduced crop and high food prices, the situation in Libya has had a serious impact on the food security of neighbouring countries, notably **Niger** and **Chad** where high numbers of returning migrant workers and refugees place the increasing food demand. According to the International Organization for Migration (IOM), about 94 000 and 82 000 persons arrived in Niger and Chad, respectively, as of late October

Figure 3. Millet prices in selected Western African markets



Source: Afrique Verte.

2011. This has practically eliminated the remittances and has negatively affected the food security of the local communities.

The combination of the above-mentioned shocks (fall in cereal production, poor rangeland conditions, persistent high food prices and drop in remittances) has led to high food insecurity and increased malnutrition in the affected countries. The national early warning systems and the WFP assessments indicate that about 15 million people are at risk of food insecurity in the Sahel. This includes 5.5 million people in **Niger** (35 percent of the population), 3.6 million in **Chad** (28 percent of the population), 3 million in **Mali** (20 percent), around 1.7 million in **Burkina Faso** (10 percent) and 700 000 in **Mauritania** (22 percent). In particular, **Niger** and **Chad** were already affected by a severe food crisis in 2009/10 that caused a drop in incomes, substantial loss of livestock and other assets, increased levels of household indebtedness and deterioration of the nutritional status of pastoralists, agropastoralists and other farming groups. Thus, the rural population of these countries is still very vulnerable to food production shocks because of the exhaustion of their coping strategies. Urgent actions are needed in the affected countries to prevent further deterioration of the food security situation.

Central Africa

In **Cameroon** and the **Central African Republic**, the sowing of the 2012 main maize crop due for harvest from July, will begin soon in the south. Harvesting of the 2011 secondary maize crop was completed this year in January. Satellite based rainfall estimates indicate below-average rainfall in many parts of Cameroon, notably in the northwest, south and southwest regions, which affected crop yield and production in these areas. Tentative estimates point to a reduced 2011 harvest as compared to the previous year. In contrast, the overall growing conditions were favourable in **Gabon** and **the Republic of the Congo**, where cereal production is limited and the bulk of the national cereal utilization requirement is imported.

Increasing food prices in parts of the subregion

Reflecting the reduced production and tight supply in **Cameroon** and neighbouring countries (**Chad**, northern **Nigeria**), prices of the main staple maize, have been following an upward trend since early 2011. In December 2011, they were 42 percent higher in Bamenda market than in December 2010. Although rice prices remained mostly stable in recent months, average annual consumer price inflation jumped to 2.9 percent in 2011 compared to 1.3 percent in 2010. On the other hand in **Gabon**, a highly cereal import dependent country, prices of imported wheat and rice in January 2012 were slightly below the levels of January 2011. The average annual consumer price inflation was fairly low due to government interventions including subsidies and cuts in the value-added tax rate in 2011.

Eastern Africa

Unfavourable rains forecast for the 2012 March-May period

According to the latest seasonal forecast by the Climate Prediction Centre (ICPAC) of the Inter-Governmental Authority on Development (IGAD), there is an increased probability of below average 2012 March to May rains. Dry weather conditions are likely to return to most areas of **Somalia**, northern and southeastern **Kenya**, southern and northeastern **Ethiopia**, southern lowlands of **Eritrea** and **Djibouti**. The impact of this event materializing would be devastating to an already exhausted population, as

Table 10. Central Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals [1]			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Central Africa	**3.2**	**3.3**	**3.2**	**0.5**	**0.5**	**0.5**	**3.7**	**3.8**	**3.7**	**-2.1**
Cameroon	1.7	1.8	1.7	0.1	0.1	0.1	1.8	1.9	1.8	-4.2
Central Africa Rep.	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.2	-0.4

Note: Totals and percentage change computed from unrounded data.
[1] Total cereals includes wheat, coarse grains and rice (paddy).

most of the same pastoral and agropastoral areas that experienced the 2010/11 severe drought are again implicated. Close monitoring of the situation is warranted for possible early interventions and to mitigate the impact of yet another poor cropping season.

Table 11. Eastern Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals [1]			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Eastern Africa	**4.2**	**3.8**	**4.2**	**27.6**	**34.4**	**31.4**	**33.8**	**40.2**	**37.6**	**-6.6**
Ethiopia	3.4	3.1	3.4	13.8	16.0	17.1	17.3	19.2	20.7	7.6
Kenya	0.2	0.3	0.2	2.6	3.5	3.2	2.9	3.8	3.4	-9.6
Sudan [2]	0.4	0.3	0.3	3.1	5.3	2.5	3.6	5.6	2.9	-49.2
Tanzania U.R.	0.1	0.1	0.1	4.2	5.5	4.6	5.7	7.0	6.0	-14.1
Uganda	0.0	0.0	0.0	2.6	2.7	2.6	2.8	2.9	2.8	-3.5

Note: Totals and percentage change computed from unrounded data.
[1] Total cereals includes wheat, coarse grains and rice (paddy).
[2] Including South Sudan.

Favourable secondary season harvests gathered in the last season

Harvesting of the 2011/12 secondary season crops is almost complete, except in **Ethiopia** where planting of the *belg* season crops is about to start. Cereal production prospects are generally good due to a favourable *deyr* short-rainy season (October-December) that started on time or even a bit earlier than usual in southern coastal lowlands of **Kenya**, southern **Somalia** and in bimodal rainfall areas of the **United Republic of Tanzania** and **Uganda**. Pastoral and agropastoral areas that were seriously affected by dry weather conditions in 2011 in Somalia, Ethiopia, **Eritrea**, Kenya and Uganda, have especially benefited from the adequate *deyr* rains. However, torrential rains from late October to early December caused flash floods and river flooding in riverine districts of Juba and Gedo regions in southern Somalia, in eastern and western districts of Uganda and in northern coastal areas of the United Republic of Tanzania with localized losses of standing crops. In southern Somalia, this excess moisture had also a positive effect on off-season crops, mainly sesame, maize and other cash crops, to be harvested by the end of March 2012.

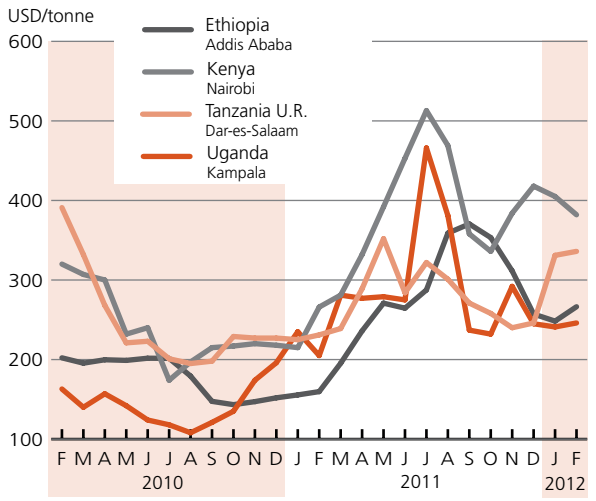
The aggregate 2011 cereal output, including the 2011 main season and forecast of the 2011/12 secondary season, for the subregion is estimated at 37.6 million tonnes, about 6.6 percent below the 2010 record level but still 5.2 percent above the average of the last five years. This overall positive result mainly reflects the good harvest during the 2011 main season in Ethiopia and Kenya. Conversely, very low cereal production in the 2011 main season is estimated for the **Sudan** and **South Sudan**, where the planted area and yields have been significantly reduced due to dry weather conditions and insecurity conditions that limited access to land and inputs. In particular, many farmers were forced to flee their farms in main producing areas of South Kordofan and Blue Nile states in the Sudan with significant negative impact on local production.

Cereal prices declined generally in the subregion except in the Sudan and South Sudan

Cereal prices continued to decrease in January 2012 in several countries of the subregion as most markets are supplied with the newly harvested crops. In addition, food aid has also been distributed in drought-affected areas. In Somalia, wholesale maize and sorghum prices in Mogadishu, Marka and Baidoa markets declined by about 60-70 percent from June 2011 to January 2012 and are expected to decline further in the coming weeks as the bulk of the 2011/12 *deyr* harvest will be commercialized. The February 2012 maize price in Ethiopia was 25 percent below the September 2011 record high level while in Uganda, a similar trend prevailed with maize prices about 45 percent below the July 2011 record. In Kenya, following the unseasonable increases at the end of 2011 due to heavy rainfall that delayed harvesting operations and disrupted markets, maize prices have declined in February 2012. However, despite recent declines current maize prices are substantially higher than a year earlier in most markets of Ethiopia and Kenya.

By contrast, cereal prices have recently increased in most markets in the Sudan and South Sudan following low production levels and market disruptions. In the Sudan, sorghum prices increased by about 45 percent between September 2011 and January 2012 in the capital city Khartoum and in the main growing area of El Gadarif, reflecting the delayed start of the harvest and the reduction in the 2011 output. Prices of sorghum in January 2012 were up to 77 percent higher than in the same month last year. In South Sudan, food prices increased significantly in main markets along the northern border, following trade restrictions established in May 2011 that drastically reduced imports from the Sudan and caused shortages of food supplies. In Northern and Western Bahr El Gazal, Jonglei and Unity states, wholesale prices of white maize in January were between two and three times higher

Figure 4. Maize prices in selected Eastern African markets



Sources: Regional Agricultural Trade Intelligence Network; Ethiopian Grain Trade Enterprise.

than one year earlier. High fuel prices and transport costs as well as an increased food demand due to returnee and IDP populations, are additional basis for the price hikes in South Sudan.

Overall food security improved, but situation remains critical in southern Somalia, the Sudan and South Sudan

The overall food security has improved in the last few months, especially in drought-affected areas of Somalia and Ethiopia. The total number of food insecure people in need of humanitarian assistance in the subregion is currently estimated at about 14.65 million people (including 4.2 million in the Sudan, 3.75 million in Kenya, 3.24 million in Ethiopia, 2.34 million in Somalia, 1 million in South Sudan and 180 000 in Djibouti), about 3.4 million people less than in December 2011. This is the combined result of better food security conditions in Somalia and Ethiopia, while the situation has deteriorated in the Sudan and South Sudan following poor harvests in 2011.

In Somalia, a well above average cereal production from the 2011/12 secondary *deyr* season coupled with substantial humanitarian assistance during the last six months has mitigated food deficits and significantly reduced both acute malnutrition and mortality in most drought-affected areas. On 3 February 2012, the United Nations declared the end of famine conditions and revised downward the estimated number of people in need of emergency humanitarian assistance from 4 to 2.34 million, which still represents about 30 percent of the population. However, the situation remains critical in most pastoral and agropastoral households in southern regions (in particular Lower Shabelle, Bay, Bakool and Gedo) where resilience and coping strategies have significantly deteriorated since the poor outturn of the 2010 *deyr* season one year ago. The recent banning of several humanitarian agencies to operate inside Somalia is likely to exacerbate the humanitarian crisis and may quickly reverse recent improvements.

An Emergency Operation (EMOP) was recently initiated by WFP in order to provide assistance to 4.2 million people in Sudan until the end of 2012. It mainly targets most vulnerable households in conflict-affected areas of Darfur and the Central, East and Three Areas (CETA) region. Food distributions aim to assist households as their food stocks are expected to run out earlier than normal, triggering an early start of the lean season and pushing food prices higher. Thus higher levels of food insecurity are expected in North and South Darfur and in parts of South Kordofan and Blue Nile states.

The drought-induced influx of Somali refugees into neighbouring countries has significantly declined since August 2011. However, according to the UNHCR, there are still about 920 000 refugees in camps in Kenya, Ethiopia and Djibouti, almost 80 percent of them from Somalia, where access to basic necessities such as food, shelter, water and sanitation is often precarious due to the high concentration of people.

Southern Africa

Mixed season so far with erratic rains in some areas and flooding in others

The first three months, October to December, of the 2011/12 cropping season were largely characterized by erratic precipitation, both spatially and temporally. As a result, water deficits developed in southern and eastern parts, causing crop stress and premature wilting. However, maize tolerance to water stress in the early stages of growth and the improvement in rains towards the end of 2011 and early 2012 helped trigger a crop recovery. In parts of southern **Mozambique**, **Malawi** and **Zimbabwe**, and central areas of **Botswana**, however, water deficits intensified due to the infrequent rainfall that continued into January and February 2012. By contrast, an intense period of heavy rains induced by the passing of four tropical cyclones (Chandra, Dando, Funso and Giovanna) during the first two months of 2012 caused flooding in the coastal zones of Madagascar and Mozambique damaging crops, infrastructure and homesteads. Parts of Malawi, **Swaziland** and **South Africa** also received abundant rains as a result of the cyclones, particularly impacting the flood prone districts of Malawi's southern Shire river basin. Forecasts indicate an increased likelihood of above average rains across much of southern Africa for the remainder of March.

Mixed production prospects for 2011/12 maize crop

The current outlook for the main maize crop, to be harvested from March, is mixed, largely reflecting the uneven rains. Despite the continuation of large-scale input support programmes, moisture deficits have compromised production in some areas, while flooding in Mozambique, southern Malawi and parts of Madagascar (rice crop) may suppress productivity. Official area estimates are not yet available, but preliminary indications point to a reduction in the area planted to maize in Zambia, Zimbabwe and Lesotho compared with the previous season, following a late start of the rains and prospects of greater profitability with other crops, while in Malawi and Mozambique no significant changes are indicated. Furthermore, higher fertilizer prices may have restricted access to inputs for farmers outside of humanitarian and government support programmes. Current remote sensing data shows generally satisfactory maize crop conditions, with the exception of southern and central parts of Mozambique, southern Malawi, and southern and far north-eastern areas of Zimbabwe, corresponding to the poor rains. If the unfavourable conditions persist in north-eastern Zimbabwe and central Mozambique, this could have a potential bearing on overall production. In addition, damage to approximately 123 000 hectares of cropped land in Maputo, Gaza, Inhambane, Sofala and Zambézia provinces in Mozambique, as well as certain localised areas in southern Malawi, were reported following the tropical cyclones. Although these areas represent a small proportion of the national level, irreversible damage to crops could negatively impact food security conditions of the affected households. Furthermore, cyclone Giovanna, which swept across Madagascar in February, could impact food and cash crop production, particularly in the Analamanga region where the rice harvest was underway; full information on damages to the rice crop will only be available once the water recedes.

In South Africa, the largest producer of cereals in the subregion, despite dry conditions in October and November 2011 preliminary maize production forecasts point to a crop of about 12.3 million tonnes in 2012, including the output from the subsistence sector. This represents an increase of approximately 12 percent over the previous season's output, but still some 1 million tonnes below the record harvest in 2010.

Rapid price increases in some markets but generally stable conditions prevail

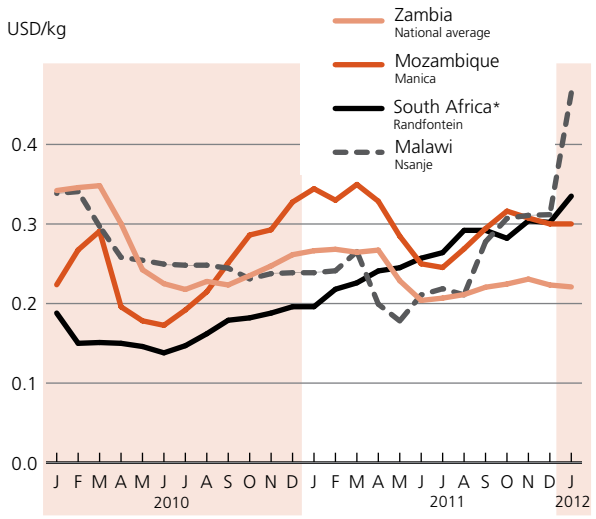
Throughout 2011, generally stable prices prevailed across the subregion, though notable exceptions include the southern markets of Malawi that experienced rapid rises in the last quarter of 2011 and the beginning of 2012. Monthly prices reached highs of MWK 90 per kg in Limbe during January 2012, with most markets in southern districts retailing maize above MWK 60 per kg. Despite the country retaining satisfactory stocks and the government's decision to suspend exports in December 2011 to ensure adequate domestic supplies, increased transportation costs drove prices higher. However, prices showed some decline at the beginning of February, averaging about MWK 53 in the southern districts. In Zambia (national average) and Zimbabwe (Harare), maize prices have remained stable exhibiting some seasonal increases, with a similar situation prevailing in Madagascar for rice. In Mozambique prices were generally at lower levels in February 2012 relative to the previous year. In the main exporting country, South Africa, robust international demand and expectations of a significant reduction in closing stocks for the 2011/12 marketing year (May/April) fuelled price increases to record levels. South Africa has, in response, imported small quantities of maize from Zambia, Romania and Ukraine to help replenish stocks. However, the favourable production prospects and an appreciation of the Rand against the US Dollar resulted in a drop in domestic yellow and white maize prices in February to Rand 2 473 and Rand 2 399 per tonne respectively. At these levels, prices still remain approximately 50 percent higher than one year earlier. The steep prices may impact the import dependent countries of Lesotho, Swaziland, Botswana

Table 12. Southern Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Southern Africa	**2.2**	**1.7**	**2.2**	**24.5**	**26.5**	**24.2**	**5.0**	**5.2**	**4.8**	**31.7**	**33.4**	**31.2**	**-6.7**
- excl. South Africa	**0.3**	**0.3**	**0.3**	**11.3**	**12.7**	**12.8**	**5.0**	**5.2**	**4.8**	**16.6**	**18.2**	**17.9**	**-1.8**
Madagascar	0.0	0.0	0.0	0.4	0.4	0.4	4.5	4.8	4.3	4.9	5.2	4.7	-8.6
Malawi	0.0	0.0	0.0	3.7	3.5	4.0	0.1	0.1	0.1	3.9	3.6	4.1	14.5
Mozambique	0.0	0.0	0.0	2.4	2.5	2.6	0.3	0.3	0.3	2.6	2.8	2.9	4.6
South Africa	2.0	1.4	1.9	13.2	13.8	11.5	0.0	0.0	0.0	15.1	15.2	13.3	-12.4
Zambia	0.2	0.2	0.2	2.0	2.9	3.1	0.0	0.1	0.0	2.2	3.1	3.4	8.6
Zimbabwe	0.0	0.0	0.0	1.5	1.6	1.6	0.0	0.0	0.0	1.6	1.6	1.7	3.6

Note: Totals and percentage change computed from unrounded data.

Figure 5. White maize prices in selected Southern African markets



*Wholesale prices, all others retail prices.

Sources: Central Statistical Office, Zambia; Sistema de Informação de Mercados Agrícolas de Moçambique, Mozambique; SAFEX Agricultural Products Division, South Africa; Ministry of Agriculture and Food Security, Malawi.
Note: Malawi data from Dec.10 to Jan.11 are missing.

and Namibia, which source most of their maize imports, and other food products, from South Africa.

Pockets of food insecurity remain a concern but overall conditions are generally stable

Despite generally stable conditions across southern Africa, pockets of acute food insecurity exist, primarily as a result of localized food production shortfalls in 2011. Conditions were further aggravated in southern Malawi by the recent rapid rise in staple food prices towards the end of 2011 and into 2012, increasing the number of vulnerable persons by about 71 000 to a total of 273 000. Damage caused to crops and homes, as a result of the recent cyclones will also weigh heavily on communities in the affected areas. Assistance is being provided to food insecure people to meet consumption gaps during the lean season, while emergency relief operations are underway to support households affected by the recent floods. Vulnerability assessments are scheduled to be conducted in May and will provide a clearer picture of the food security situation.

Great Lakes Region

Erratic and heavy rains affect production

While harvesting of the minor 2012 A season crops has just been completed, planting of the 2012 B (main) season's crops in **Burundi** and **Rwanda** is underway. Precipitation levels during the 2012 A season (October-February) were mixed in Burundi. Following a timely onset, rains in the northern districts were generally below average, while an intense period of heavy rainfall particularly impacting central areas caused flooding and water-logging of crops. As a result, food production decreased by 11 percent compared with the corresponding season in 2011, including a 15 percent drop in the cereal output. Rainfall levels were more stable in Rwanda, and crop production is expected to remain at a similar level to last year's output. Prevalence of banana bacterial wilt, in addition to two cassava viruses (mosaic disease (CMD) and brown streak disease (CBSD)) continue to impact production in the Great Lakes subregion, with negative consequences for households' income and food consumption, given the importance of cassava in local diets.

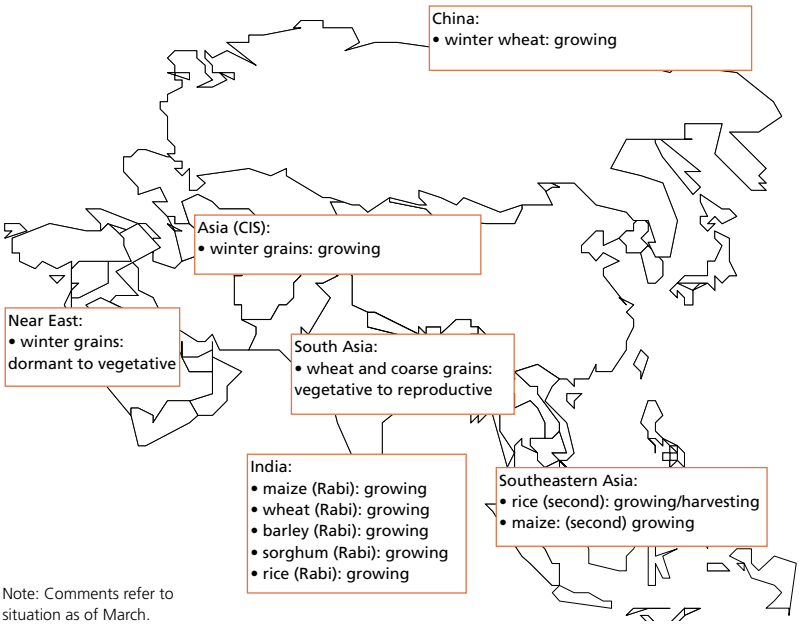
Tighter food supplies and higher prices aggravate food insecurity conditions

Poor production in 2011 in eastern Burundi has contributed to tightening food supplies in the affected areas, while rising cereal prices have led to a deterioration in purchasing power. For example, in December 2011 prices of cereals in Bujumbura were between 10 and 35 percent higher than a year earlier. However, bean prices registered some decreases over the same period. Furthermore, the drop in production for the 2012 A season will negatively impact food availability in the coming months. In Rwanda, in spite of significant improvements in food production and availability over the last three years, high cereal prices persist. The year-on-year cereal price increase in January 2012 was nearly 25 percent. This will act to constrain access to food especially for low-income market dependent households.

Asia

Far East

Prospects for 2012 wheat and early rice crop are generally favourable



Note: Comments refer to situation as of March.

In the Far East subregion, the 2011/12 mostly irrigated main winter wheat and secondary rice crops, sown from October 2011 onwards, are in critical growing stages in most countries. The season started favourably in most countries with early rains benefiting planting and development of winter wheat, secondary rice and other crops. Moisture conditions remained normal until December when some early water deficits were observed in most countries. Nonetheless, in **India** and **Pakistan** the official advance estimates point to record harvests of 2012 wheat crop at 88.3 million and 24.4 million tonnes, respectively. Higher yields are anticipated, reflecting relatively good prospects for irrigation water, provision of fertilizer and other inputs and favourable prices. Although most of the wheat crop is irrigated, rainfed wheat production may suffer in both countries due to the scanty distribution of rains during the first three months of the 2011/12 agricultural season (October-January). In **China**, the subregion's main producer, the aggregate national wheat production in 2012 is expected to return to a normal level after the officially estimated record harvest of last year. So far, since the beginning of December 2011, rainfall performance has been mixed, with below-normal precipitation in some wheat producing provinces/districts (North China Plain, Loess Plateau, Shaanxi Sheng, Hebei and Jiangsu) and normal to above-normal rainfall in southwestern, southeastern and central parts.

Harvesting of the early planted 2011/12 rice and other crops began in December 2011; the main harvest will commence in March-April 2012. Prospects for the harvest are uncertain in **Bangladesh** and **Myanmar** due to uneven distribution of rains since the start of the season. On the other hand, prospects for the cereal crops are favourable further south and east in **Indonesia**, **the Philippines**, **Sri Lanka** and **Viet Nam**. In **Nepal**, a period of cold weather during the first half of December 2011 caused some crop damage in the Terai Belt. Most of the wheat and paddy in this season is irrigated, but lack of rainfall may adversely affect

Table 13. Far East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Far East	**223.4**	**223.0**	**233.4**	**253.7**	**277.0**	**291.2**	**611.6**	**628.7**	**647.0**	**1 088.7**	**1 128.8**	**1 171.6**	**3.8**
Bangladesh	0.8	1.0	1.1	1.0	1.1	1.2	48.4	50.3	51.9	50.2	52.3	54.2	3.5
Cambodia	0.0	0.0	0.0	0.9	0.8	0.7	7.6	8.2	8.4	8.5	9.0	9.1	1.1
China	115.1	115.2	117.9	172.8	186.6	201.2	196.7	197.2	202.3	484.6	499.0	521.4	4.5
India	80.7	80.8	86.9	33.9	43.4	42.1	133.6	144.0	154.1	248.2	268.1	283.0	5.6
Indonesia	0.0	0.0	0.0	17.6	18.3	17.2	64.4	66.5	65.4	82.0	84.8	82.6	-2.6
Japan	0.7	0.6	0.7	0.2	0.2	0.2	10.6	10.6	10.3	11.5	11.4	11.2	-1.1
Korea Rep. of	0.0	0.0	0.0	0.4	0.4	0.3	6.6	5.8	5.7	7.0	6.2	6.0	-2.6
Myanmar	0.2	0.2	0.2	1.4	1.4	1.5	31.0	30.8	30.0	32.6	32.4	31.7	-2.3
Nepal	1.3	1.6	1.8	2.2	2.4	2.5	4.0	4.5	5.1	7.5	8.4	9.3	10.9
Pakistan	24.0	23.3	24.3	3.8	3.9	4.1	10.3	7.2	10.8	38.1	34.4	39.2	13.8
Philippines	0.0	0.0	0.0	7.0	6.4	7.3	15.5	16.7	17.0	22.5	23.1	24.3	5.0
Thailand	0.0	0.0	0.0	4.8	4.1	4.4	32.0	34.5	31.5	36.8	38.6	35.8	-7.1
Viet Nam	0.0	0.0	0.0	4.4	4.7	4.8	39.0	40.0	42.3	43.4	44.6	47.1	5.6

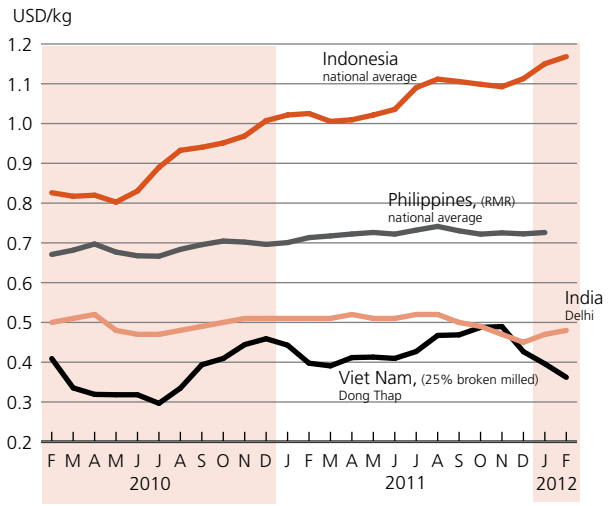
Note: Totals and percentage change computed from unrounded data.

yields in non-irrigated areas and reduce the total water supply for irrigation in some areas.

Despite localized floods in many countries, the 2011 aggregate cereal harvest is estimated at a record level

Harvesting of the 2011 main season paddy and other summer crops was completed towards the end of the year in most countries of the subregion. With most official estimates now available, FAO puts the 2011 aggregate production of cereals at a record level of 1 172 million tonnes (including rice in paddy terms) or 3.8 percent up from the previous year's record output, mainly reflecting record crops in **China** (+22.4 million tonnes) and **India** (+14.9 million tonnes). Similarly, despite severe localized floods, which caused significant crop damage, improvement in national aggregate cereal output is recorded in **Bangladesh**, **Cambodia**, **Nepal**, **Pakistan**, **the Philippines** and **Viet Nam**. However, poor harvests were gathered in **Myanmar**, **Sri Lanka** and **Thailand** due to severe flooding, in **Indonesia** caused by delayed/erratic rains and drought and in **Japan** due to a powerful earthquake and tsunami with the subsequent nuclear disaster. The 2011 paddy production, the major staple cereal in the subregion, accounting for about 55 percent of the total cereal output, is estimated at a record level of 647 million tonnes, 3 percent above the previous year's record, following a recovery in **Pakistan** and improved harvests in **Bangladesh**, **China**, **India** and **Viet Nam**. Last year's winter and spring wheat crop harvested from April to July 2011 also produced a record aggregate harvest of 233 million tonnes, 4.7 percent above the harvest level of 2010.

Figure 6. Rice retail prices in selected Far East countries



Sources: Badan Pusat Statistik (BPS), Indonesia; Ministry of Consumer Affairs, India; Bureau of Agriculture Statistics, Philippines; Agroinfo, Viet Nam.

Rice exports and wheat imports to decrease slightly in 2011/12

In general, the Far East subregion is a net exporter of rice and net importer of wheat. Total cereal imports of the subregion are expected to increase slightly in 2011/12 compared to the year before. In spite of a record aggregate rice harvest, exports in 2012 are preliminarily forecast to decrease by about 700 000 tonnes, mostly due to the estimated decline in production of about 3 million tonnes in **Thailand**, the leading rice exporter in the region. Aggregate rice imports by countries in the Far East are expected to increase by 8.5 percent from the previous year, following the higher import requirements, particularly in **Indonesia** and in **the Philippines**. On the other hand, the 2011/12 July/June aggregate wheat imports are expected to decline by 1.4 million tonnes, 4.2 percent below the previous year, owing to the generally good production in several importing countries, such as **China** and **Bangladesh**. The aggregate cereal trade, sum of exports and imports, is expected to strengthen in 2011/12, and remain much higher than the average of the previous five years mainly due to rise in maize trade. The bumper cereal production in 2011 has led to an overall improvement in the food security situation in many countries of the subregion. However, localized floods caused severe damage to food security and livelihoods of a large number of affected people in several countries.

Wheat prices increase in some markets, while rice prices show some signs of softening

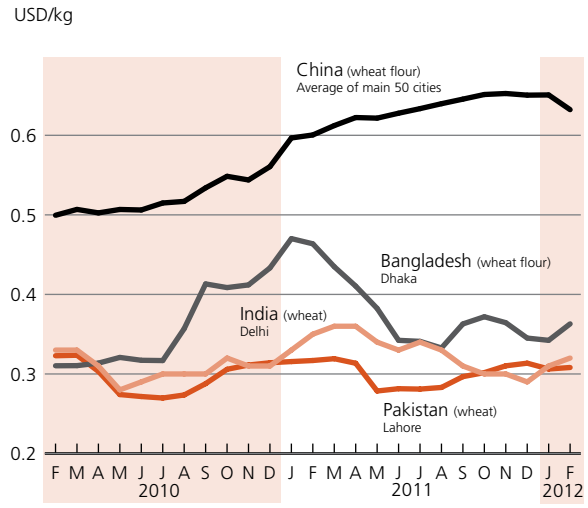
Prices of rice in US dollar terms generally remained stable across the subregion, but declined slightly in **Bangladesh**, **Cambodia**

Table 14. Far East cereal production and anticipated trade in 2011/12 [1]
(thousand tonnes)

	Avg 5-yrs (2006/07 to 2010/11)	2010/11	2011/12	2011/12 over 2010/11 (%)	2011/12 over 5-yr avg (%)
Cereals - Exports	31 778	33 109	34 197	3.3	7.6
Cereals - Imports	82 139	85 949	88 165	2.6	7.3
Cereals - Production	901 228	919 579	956 679	4.0	6.2
Rice-millled - Exports	24 930	27 318	26 615	-2.6	6.8
Rice-millled - Imports	8 922	9 268	10 058	8.5	12.7
Rice-millled - Production	414 058	419 505	432 053	3.0	4.3
Wheat - Exports	2 503	1 988	3 450	73.5	37.8
Wheat - Imports	31 044	33 400	32 011	-4.2	3.1
Wheat - Production	221 542	223 030	233 441	4.7	5.4

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

Figure 7. Wheat and wheat flour retail prices in selected Far East countries



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

and **Sri Lanka**, following satisfactory harvests in those countries. In **Viet Nam** prices for rice dropped sharply in last few months; in February the 25% broken rice price in Dong Thap market was 26 percent below its level in November 2011. However, the latest available monthly rice prices have increased in **the Philippines**, **Thailand** and especially in **Indonesia**, where they reached a new record level in January, averaging IDR 10 439 (about USD 1.15) per kg, some 13 percent higher than a year earlier. In Indonesia, rice prices are considered to be high particularly in comparison with the pre-crisis period before mid-2008. For example, the national average real price of rice in January 2012 was about 37 percent higher than the mid-2008 price level.

Wheat prices reflecting the good harvests in 2011 declined for several months in **India** and in the import dependent markets in **Bangladesh** and **Sri Lanka**. However, they experienced a slight increase in January and February this year in nominal terms, in line with the high rate of overall inflation. On the other hand, in Pakistan, wheat prices stabilized in February after rising steadily during the second half of 2011, mainly due to a slowdown in exports. Similarly, in China wheat prices moved downwards in the beginning of 2012, reflecting adequate supplies, following the record harvest in 2011. The domestic price increases are likely to adversely affect the food consumption of the low-income and vulnerable population.

Near East

Favourable early prospects for 2012 winter crops

Wheat and barley crops are mostly in the dormant stage in Turkey, Iraq, Islamic Republic of Iran and Afghanistan. After a timely start of the rainy season across the subregion, abundant rains and snowfall leading to a moderate to deep snow pack, protecting young plants and reducing the risk of winterkill, have boosted moisture availability for the crops. Recent precipitation along the Mediterranean coast has increased irrigation reserves and soil moisture for winter crops that are now entering their vegetative stage. Thus, assuming normal weather conditions persist for the remainder of the season, production prospects for the winter crops to be harvested from June are favourable.

The Near East subregion's cereal production in 2011 is estimated at 70.9 million tonnes, about 2.6 percent higher than the last five-year average. This good result is essentially due to an above average production of 2011 winter crops in Turkey and the Islamic Republic of Iran that more than compensated the dry weather affected harvests in Afghanistan and the Syrian Arab Republic.

Yemen and Syria face a humanitarian crisis

In Yemen and the Syrian Arab Republic, the food security situation of most vulnerable households continues to deteriorate as a consequence of the prolonged civil unrest that is disrupting trade and humanitarian aid distribution channels as well as causing high food and fuel prices. In Yemen, renewed conflicts in

Table 15. Near East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Near East	**45.5**	**47.3**	**46.0**	**19.3**	**21.3**	**20.8**	**3.8**	**4.0**	**4.2**	**68.7**	**72.6**	**70.9**	**-2.3**
Afghanistan	5.1	4.5	3.3	0.8	0.8	0.6	0.6	0.7	0.7	6.5	6.0	4.6	-24.2
Iran (Islamic Rep. of)	13.0	15.0	14.0	3.5	4.5	4.3	2.3	2.3	2.4	18.8	21.8	20.7	-5.1
Iraq	1.7	2.8	2.1	0.7	1.4	1.3	0.2	0.2	0.2	2.6	4.3	3.5	-18.1
Syrian Arab Republic	3.7	3.6	3.3	1.0	1.1	1.0	0.0	0.0	0.0	4.7	4.7	4.2	-9.6
Turkey	20.6	19.7	21.8	12.2	12.2	12.5	0.8	0.9	0.9	33.6	32.7	35.2	7.5

Note: Totals and percentage change computed from unrounded data.

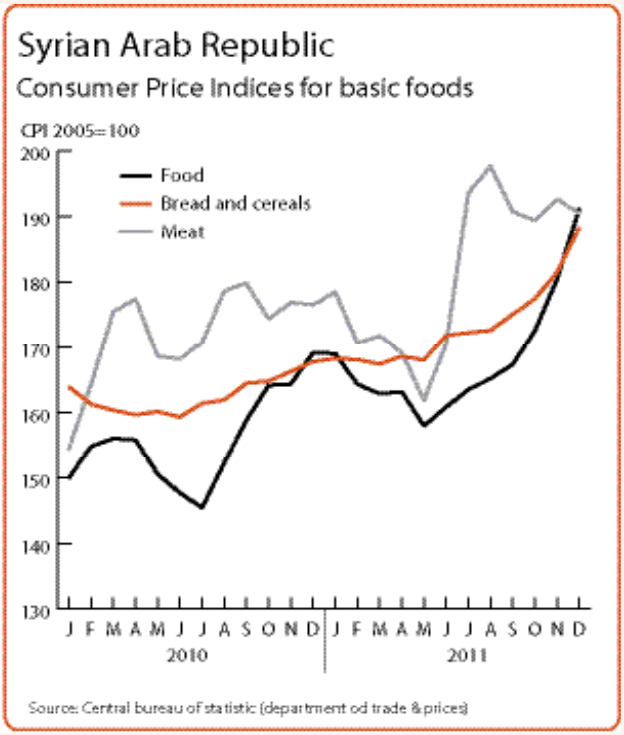
The Syrian Arab Republic - Civil unrest raises grave concern for food security

Continued civil unrest in the Syrian Arab Republic since mid-March 2011 has raised serious concern over the state of food security, particularly for vulnerable groups. Following the unrest, a contraction is estimated in the 2011 real GDP and the downturn is expected to continue in 2012. Economic and trading sanctions together with the strong depreciation of the local currency (Syrian pound) are expected to negatively affect the country's commercial import capacity, including food commodities. The imposition of an additional 30 percent tax by the Government on goods imported from Turkey is expected to put further pressure on domestic prices and hence reduce access to food, particularly for poorer households. According to the Syrian Central Bureau of Statistics, food price inflation increased to 19 percent in December over June 2011, mainly driven by a sharp rise in prices of vegetables, dairy products, cereals and meat.

Reportedly in several areas, the civil insecurity has disrupted farming activities. In northeastern provinces, an estimated 300 000 farmers, who have already suffered four consecutive seasons of drought and poor harvests, are also affected by the interruption and loss of opportunities from seasonal labour migration to the south and east. Losses of jobs for farm workers are some of the main reasons for the increasing vulnerability. The World Food Programme estimated in 2010 that about 1.4 million food insecure people were living in areas which have now become conflict hotspots such as Homs, Hama, rural Damascus, Daraa and Idleb and the concern is that they now have become even more vulnerable. Access to food, water and fuel is reported to have become increasingly difficult. Recently, a budget increase to an Emergency Operation (EMOP) was approved by WFP and FAO for delivering food assistance to 100 000 people affected by the unrest until June 2012.

The outlook for the 2012 winter cereal crops, currently at vegetative stage and for harvest from May, is uncertain given possible disruptions in overall agricultural activities and limited access to inputs such as fertilizer. Last year's cereal production, estimated at 4.2 million tonnes, was about 10 percent less than the previous five years' average, following late and erratic rains that led to poor crop establishment, especially in major rainfed crop producing areas of Al Hasakah and Al Raqqah in the north and northeast. The country relies on food imports for almost half of its total domestic utilization. There is a preliminary forecast of cereal import requirements, mainly wheat for food use and maize and barley for feed, in the marketing year 2011/12 (July/June) is put at around 4.0 million tonnes, about one million tonnes more than the previous year.

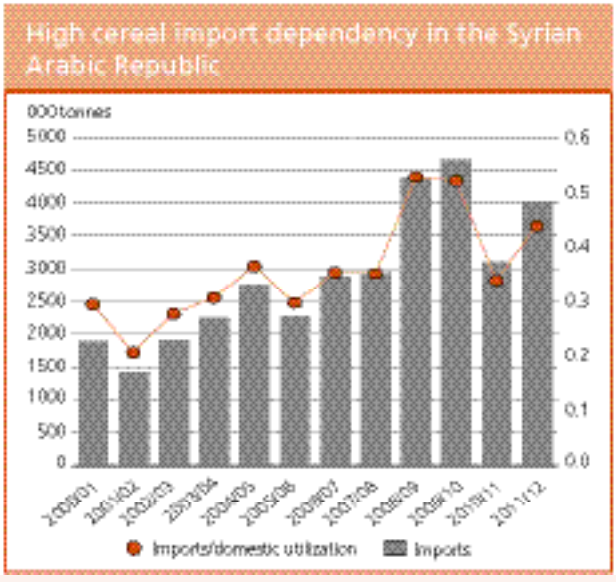
A close monitoring of the country's food situation is warranted and a detailed in-country assessment is needed as soon as security conditions permit.



Syrian Arab Republic - Cereal production
(thousand tonnes)

	2006 - 2010 average	2010	2011 estimate	Change: 2011 over 2010 (%)
Wheat	3 683	3 600	3 250	-9.7
Barley	799	900	800	-11.1
Maize	196	181	180	-0.6
Others	7	8	8	0.0
Total	4 685	4 689	4 238	**-9.6**

Note: Percentage change computed from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



the governorates of Sa'ada, Hajjah, Taiz and Abyan have forced thousands of families to flee their homes with negative effects on their livelihood systems. UNICEF has recently warned that about half a million of Yemeni children are at risk of mortality from malnutrition in 2012 if urgent proper actions are not taken. In the Syrian Arab Republic, about 1.4 million people have become food insecure in several "hotspots" such as Homs, Hama, rural Damascus, Daraa and Idleb. The food security and humanitarian situation in both countries needs to be monitored closely.

CIS in Asia[1]

Cold weather and may affect 2012 cereal crops in parts

Planting of the 2012 winter crops has been completed satisfactorily. The total planted area under winter cereals is estimated at the level of the previous year. In most countries the season began with low soil moisture; however, in Kazakhstan, the main producer of the subregion, the bulk of the cereal crops, including wheat, will be planted during late spring. Extremely cold temperatures in February have resulted in frost affecting crops in parts of the subregion. The overall prospects for this year's winter crops will be more apparent once vegetation starts.

Record 2011 cereal production in the subregion

The aggregate 2011 cereal output is estimated at 40 million tonnes, which is 56 percent above the previous year reduced level and some 31 percent higher than the five year average. Disaggregated, the wheat output is estimated at 33.6 million tonnes, 61 percent up on 2010, while that of coarse grains increased by 40.7 percent to a well above average level of 5.8 million tonnes. The significant increase mainly reflects a bumper harvest in the main producer of the subregion, **Kazakhstan,** where the output recovered from the drought-affected level of 2010. The cereal output is estimated at around 26.2 million tonnes, more than doubling the previous year's production and 55 percent above the five-year average. The main wheat crop amounted to 22.5 million tonnes, 62.7 percent above the average of the past five years. In some countries of Central Asia, below-normal precipitation during the growing season and shortages of irrigation water supplies dampened yields, particularly in **Tajikistan** and **Uzbekistan**, where cereal production declined in 2011. In the Caucasus countries, following satisfactory weather conditions during the season, cereal outputs recovered in **Armenia, Azerbaijan,** and **Georgia**, increasing by 27, 26 and 77 percent respectively over the previous year.

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

As a consequence of a bumper harvest in 2011, Kazakhstan has significant exportable surplus of wheat, estimated at over 8 million tonnes. However, due to its landlocked feature and infrastructure problems, the country continues to experience logistical difficulties supplying wheat to the international markets. Elsewhere in the subregion, seven out of eight countries are cereal importers and their import requirement for 2011/12 marketing year is expected to increase, particularly in Tajikistan where production declined significantly.

[1] Georgia is no longer a member of CIS but its inclusion in this group is maintained temporarily.

Table 16. CIS in Asia cereal production

(million tonnes)

	Wheat			Coarse grains			Total cereals [1]			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
CIS in Asia	**28.7**	**20.9**	**33.6**	**5.8**	**4.2**	**5.8**	**35.2**	**25.8**	**40.3**	**56.1**
Azerbaijan	1.8	1.3	1.6	0.6	0.6	0.7	2.4	1.9	2.4	26.3
Kazakhstan	17.1	9.6	22.5	3.3	2.0	3.3	20.7	12.0	26.2	117.7
Kyrgyzstan	1.1	0.8	0.8	0.8	0.7	0.7	1.9	1.5	1.5	-1.8
Tajikistan	0.8	0.8	0.7	0.2	0.2	0.2	1.1	1.1	1.0	-11.8
Turkmenistan	1.1	1.3	1.3	0.1	0.1	0.1	1.3	1.5	1.5	-0.2
Uzbekistan	6.6	6.7	6.4	0.3	0.2	0.2	7.1	7.1	6.8	-4.5

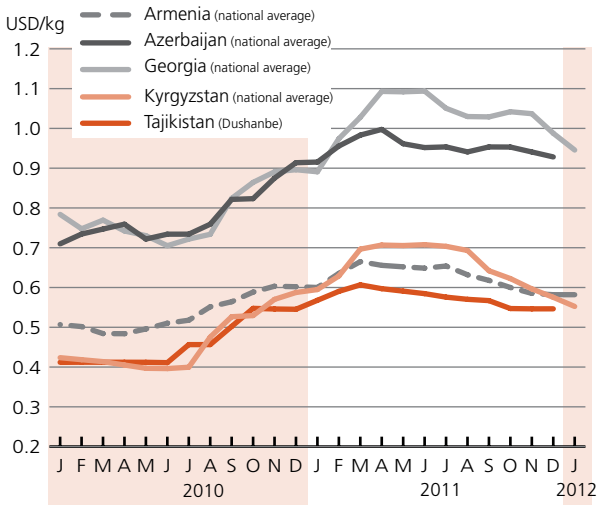
Note: Totals and percentage change computed from unrounded data.

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

Wheat flour prices generally decreasing

Wheat flour retail prices have been generally stable since October 2011 but some declines were recorded in Georgia, Kyrgyzstan and Tajikistan. Generally satisfactory outputs of the 2011 crops had put downward pressure on wheat/flour prices. The easing of local prices also reflects declining export prices due to substantial exportable surpluses of wheat from Kazakhstan, Russian Federation and Ukraine. However, staple food prices are still around their high levels of early 2011, reflecting increased prices of fuel and other agricultural inputs.

Figure 8. Retail wheat flour prices in selected CIS in Asia countries

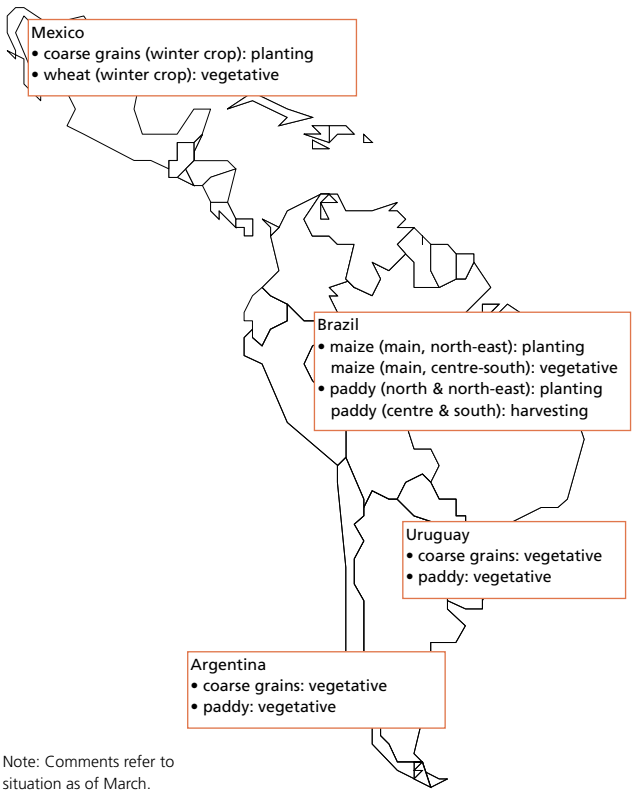


Sources: National Statistical Service of Republic of Armenia; National Statistical Committee of the Kyrgyz Republic; State Committee on Statistics, Republic of Tajikistan; State Statistical Committee of the Republic of Azerbaijan; National Statistics Office of Georgia.

Latin America and the Caribbean

La Niña brings dry weather and heavy rains to Latin American countries

La Niña climatic phenomenon (the counterpart of El Niño as part of the broader El Niño-Southern Oscillation) is associated with lower than normal sea surface temperatures (SSTs) across the equatorial Eastern Central Pacific Ocean and normally lasts for around a year. The current La Niña started at the end of 2011, and most of the climate models forecast it may last until May 2012. Due to the change in the general circulation of the winds, La Niña phenomenon is disturbing weather patterns in Latin American countries, bringing dry weather to the extreme northern and southern parts of the region including northern Mexico, Argentina, Paraguay, Chile and southern Brazil; while in central parts, especially in Bolivia, Colombia, Ecuador, Venezuela, Peru, southern Mexico and northern Brazil heavy rains have led to floods and landslides.



Note: Comments refer to situation as of March.

Central America and the Caribbean

Lower plantings of the 2012 secondary maize crop due to dry weather in Mexico

In **Mexico**, planting of the 2012 autumn-winter season maize crop, which represents about 30 percent of the aggregate annual production, is virtually complete. Early estimates indicate that the planted area is 14 percent down from last year's level, owing to insufficient rainfall, associated with La Niña phenomenon, and low levels of the reservoirs in Mexican states that produce under irrigation, particularly Sinaloa, Sonora, Baja California and Tamaulipas. Production is therefore anticipated to be lower. Sowing of the 2012 irrigated autumn-winter wheat crop, which accounts for 90 percent of the annual cereal output, is complete and the planted area is estimated to be nearly 5 percent below last year's level. However, early forecast points to a crop close to last year's good level.

Mixed start of the 2012 first rice season in the Caribbean

In the Caribbean, sowing of the 2012 spring season cereal crops, mainly rice and maize, in **Haiti** normally starts in February/March but below average rains during January and February this year may have delayed field operations. Although rice cultivation is irrigated in the main valleys, low precipitation is likely to affect rain fed areas. By contrast, in **the Dominican Republic**, favourable

Table 17. Latin America and Caribbean cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
Central America & Caribbean	**4.1**	**3.7**	**4.1**	**31.7**	**34.9**	**32.5**	**2.8**	**2.9**	**2.9**	**38.7**	**41.4**	**39.5**	**-4.6**
El Salvador	0.0	0.0	0.0	1.0	0.9	0.9	0.0	0.0	0.0	1.0	0.9	0.9	2.8
Guatemala	0.0	0.0	0.0	1.7	1.7	1.7	0.0	0.0	0.0	1.8	1.7	1.7	1.7
Honduras	0.0	0.0	0.0	0.6	0.5	0.6	0.0	0.0	0.0	0.7	0.6	0.7	12.3
Mexico	4.1	3.7	4.0	26.9	30.2	27.6	0.3	0.3	0.2	31.3	34.1	31.9	-6.5
Nicaragua	0.0	0.0	0.0	0.6	0.6	0.7	0.3	0.5	0.5	0.9	1.0	1.2	12.1
South America	**19.2**	**26.6**	**24.3**	**82.7**	**101.1**	**104.1**	**25.6**	**23.6**	**26.7**	**127.6**	**151.4**	**155.0**	**2.4**
Argentina	9.0	15.8	13.4	16.2	30.0	31.9	1.3	1.2	1.7	26.5	47.1	47.0	-0.1
Brazil	5.0	6.0	5.6	53.7	58.3	58.8	12.6	11.7	13.6	71.2	76.0	78.1	2.7

Note: Totals and percentage change computed from unrounded data.

rains in the past months were beneficial to planting activities of paddy, currently underway.

Elsewhere in the subregion, planting of the 2012 main season cereal crops is scheduled to start in April-May.

Lower cereal crop in 2011

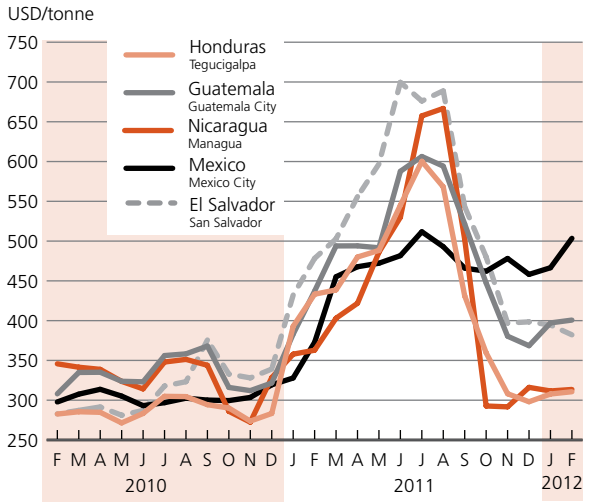
The 2011 aggregate cereal output (including the estimated harvests of the main season in 2011 and the forecast for the second and third season harvests in 2012), of Central American and Caribbean countries is estimated by FAO at 39.5 million tonnes, 5 percent below the previous year's above-average level. This mainly reflects a 7 percent reduction in **Mexico** affected by adverse weather. Harvesting of the 2011/12 second season maize crops has just been concluded in **Nicaragua**, **Guatemala**, **Honduras** and **El Salvador**, while harvesting of the third season (*de apante*) is about to start. The 2011 aggregate maize output of the subregion, excluding Mexico, is forecast some 4 percent higher than in 2010 and nearly 10 percent above the average of the past five years. This is mainly the result of good main season harvests, gathered in August-September, and an overall good production of the second season, despite severe localized crop damages following heavy rains in October.

Maize prices below last year's levels except in Mexico

Maize prices remained relatively stable in the past two months, after falling sharply with the main harvests from their mid-year peaks. Prices in **Honduras** and **El Salvador** in February 2012 were 28 and 20 percent respectively below their levels at the same month a year earlier, while in **Guatemala** and **Nicaragua**, they were 7 and 14 percent respectively lower. By contrast, prices in **Mexico** are on the rise and in February were 44 percent higher than in February 2011. The rise in prices reflects the reduced 2011 output and unfavourable prospects for the 2012 secondary maize season. The high quotations of maize have been transmitted to the price of staple *tortillas*, which reached a record level of MXN 10.88 per kg in Mexico City in February.

Prices of red beans continued their downward trend in February and were between 40 and 50 percent lower than a year earlier in **Honduras**, **Nicaragua** and **El Salvador**. Similarly, prices of black beans declined in **Costa Rica** and **Guatemala** with the arrival of the new harvests. By contrast, prices of the commodity continue to rise in **Mexico** reaching new record levels in February.

Figure 9. 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, Sistema Nacional de Información e Integración de Mercados, Mexico; Dirección General de Economía Agropecuaria, El Salvador.

South America

Mixed outlook for the 2012 cereal crops

The key maize growing areas in the south of **Brazil** have experienced a prolonged dry spell since November 2011, and yields are, consequently, forecast to decline by about 11 percent compared with the corresponding season in the previous year. However, in an effort to compensate for the anticipated decrease in production in the South-Region, the area planted in the second season, starting from mid-January, is expected to expand significantly, particularly in the central-west state of Mato Grosso. In aggregate, the 2012 maize production (main and second seasons) is preliminarily forecast at about 60 million tonnes, an increase of about 10 percent from the record level of 2011. In **Argentina**, dry and hot weather conditions from the second week of December to early January, negatively affected the 2012 maize crop. FAO tentatively forecasts the 2012 maize crop, to be harvested from March, at 21 million tonnes or 8 percent below the record level of 2011. Similarly, elsewhere in the subregion, the 2012 summer coarse grains and rice crops, currently in vegetative stage, were affected by dry weather and heavy rains. In **Bolivia**, one of the most affected countries by La Niña phenomenon, dry weather in late 2011 which was followed by heavy precipitation in January, delayed planting operations of the 2012 main season cereal crops. Thus the production outlook remains uncertain. Similarly, in **Paraguay**, dry weather severely affected the 2011 summer maize crop which is currently being harvested. Torrential rains and floods in **Ecuador** during planting of the 2012 cereal crops caused severe damage, particularly to the main paddy crop.

Record cereal output in 2011

The 2011 cereal production in the subregion was estimated at record level of 155 million tonnes, slightly higher than in 2010. The increase was mainly driven by the maize and paddy record outputs which more than offset the decline in wheat production.

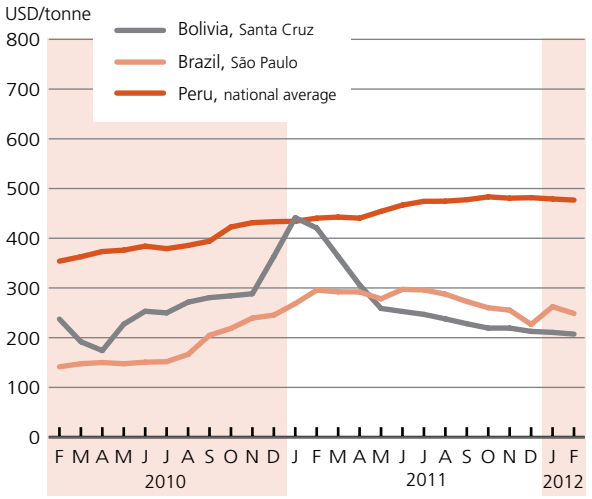
Cereal prices show mixed trends

Prices of yellow maize declined in February. In **Brazil**, they were 7 percent lower than in January reflecting the improved forecast for the 2012 maize crop. In **Bolivia**, maize prices further weakened in February. In both countries, prices were below their levels at the same month a year earlier. In **Peru**, yellow maize quotations remained relatively stable since mid-2011 and in February 2012 were 5 percent higher than a year earlier, mainly as a result of sustained feed demand from the livestock industry.

Prices of wheat flour remained virtually unchanged in the past few months in most countries of the subregion and were around their levels of February 2011.

In **Brazil**, rice prices showed sharp increase in February 2012 following expectations of a significant decline in this year's production and were some 4 percent higher than in February 2011. By contrast in **Bolivia**, rice prices in February were significantly below their levels of a year earlier following the 2011 bumper crop. In **Peru**, prices have remained stable since August 2011 and in February they were 8 percent higher than a year earlier as a result of the 2011 reduced output.

Figure 10. Wholesale maize (yellow) prices in selected countries in South America



Sources: Servicio Informativo de Mercados Agropecuarios, Bolivia; Instituto de Economía Agrícola, Brazil; Instituto Nacional de Estadística e Informática, Peru.

North America, Europe and Oceania

North America

Winter wheat area up in the United States

The area sown to winter wheat in the **United States**, which normally accounts for about 70 percent of the total wheat plantings nationally, is officially estimated at about 17 million hectares, some 3 percent up from the previous year's level but still well below the large areas planted in the three years from 2007 to 2009. Farmers have been encouraged to increase wheat plantings by continuing relatively strong prices. Early indications also point to a larger area of spring wheat, with plantings of both durum and other spring wheat forecast to increase. Assuming that the rate of abandonment could decrease from last year with improved conditions in the southern plains that suffered from severe drought in 2011, the harvested wheat area in the United States in 2012 is forecast at about 20 million hectares. At this early stage, assuming yields stay close to trend for the major wheat types, the country's aggregate wheat output is tentatively forecast at 60 million tonnes, 10 percent up from the below-average crop of the previous year. Planting of the 2012 maize crop will start in the southern states in March. Early indications point to a large increase in area compared to last year, driven by strong maize price prospects. Even in the face of strong prices for soybeans, the main competing crop, maize is likely to be favoured because of the better gross margins that can generally be achieved. The area expansion is likely to be further fuelled by the possibility for farmers to bring back into production areas that were not planted in 2011 due to excessive wetness.

In **Canada**, the bulk of the wheat is spring planted during March and April. Farmers are likely to be encouraged by relatively strong price prospects, while satisfactory weather conditions so far point to the likelihood of a normal planting period with fields that were too wet to plant last spring to be brought back into production. Thus, at this early stage, the 2012 wheat area is forecast to increase by some 10 percent, and assuming normal weather throughout the growing season, output is forecast to increase to about 25.6 million tonnes.

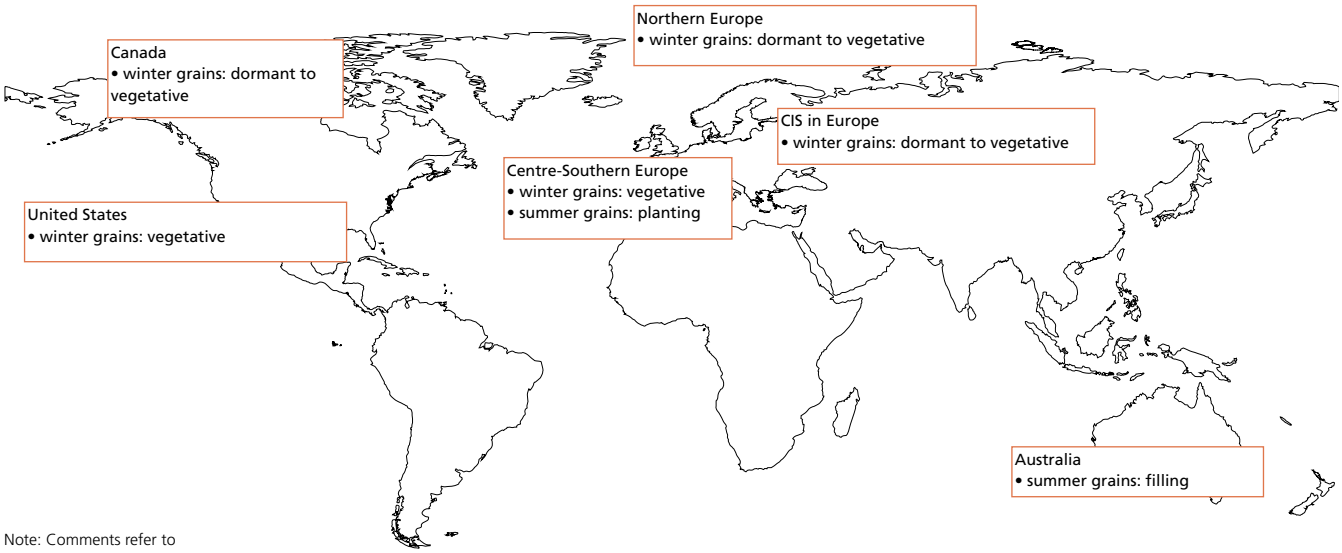
Europe

European Union

Total wheat plantings increase marginally in the EU but severe cold spell could impact harvest area and yields

In the **EU**, early indications from Member States indicated the overall 2012 wheat area could rise marginally by around 1 percent to about 26 million hectares, slightly above the average of the past five years but below the record 26.5 million hectares of 2008. Although the season got off to a satisfactory start in most countries, a severe cold spell from late January through much of February is likely to have damaged some crops, particularly in eastern France, the Benelux countries, Germany, Poland and the Czech Republic. The growing conditions in south western parts of the Iberian Peninsula also give rise to some concern; in this area precipitation has been scarce for several months and crop yields are likely to be severely impacted if good rainfall doesn't arrive soon. However, at this stage of the season, it is too early to quantify the likely impact of these current weather concerns on the final output and growing conditions from now until the end of the season will still play an important part in determining the final 2012 wheat production.

Based on the current forecast level of plantings, and assuming normal growing conditions for the remainder of the season, FAO's first forecasts of the EU's aggregate wheat production in



Note: Comments refer to situation as of March.

2011 stands at 138 million tonnes, virtually unchanged from the 2011 level. While some recovery in yields is expected in the west EU countries that were affected by the drought last year, this could be offset by a return to normal yields in some central and southeast EU countries, where yields in 2011 were above average.

CIS in Europe

Mixed prospects for the 2012 winter crops

The outlook for the 2012 winter cereals is mixed. Crop conditions differed by countries, being favourable in **the Russian Federation,** normal in **Belarus** and unsatisfactory in **Ukraine** and the **Republic of Moldova**. In **the Russian Federation**, in spite of cold weather and severe frosts during winter, the wheat crop is reported in generally satisfactory conditions having received adequate snowcover, with the exception of some regions of the Central and Southern Federal Districts. Assuming normal conditions in spring a slight increase in spring wheat plantings is expected. Thus the total planted area under cereals is forecasted marginally above (0.73 percent) the previous year's level. In **Ukraine** record frosts in January and February have severely damaged the winter barley and wheat crops in eastern and southern regions; the area planted under cereals there is estimated some 3 percent lower than in the previous season. In the **Republic of Moldova** the outlook is uncertain because winter crops are not in good conditions due to the lack of adequate soil moisture and droughts in parts.

The 2011 cereal production recovered from the previous year's drought-reduced level

In the **European CIS**, favourable growing conditions during the 2010/11 cropping season resulted in a sharp recovery in the 2011 cereal production in all countries of the subregion. The aggregate output is estimated at around 156.9 million tonnes, 42 percent higher than in 2010 and 17.8 percent above the five-year average. A significant increase was recorded in coarse grains production which is close to the record level of 2008 and 52.3 percent above the 2010 harvest. In **the Russian Federation**, cereal production is put at 91.2 million tonnes, 45 percent higher than in the previous year. Wheat and barley outputs increased by about 36 and 61 percent respectively. In **Ukraine,** the cereal output is estimated at a well above average level of 55.4 million tonnes, compared with 39 million tonnes produced in 2010. Both the Russian Federation and Ukraine have substantially increased export availabilities. However, severe frosts during winter months have dramatically slowed down the pace of grain exports from the Black Sea ports. In **Belarus**, the 2011 cereal harvest, mainly coarse grains (74.3 percent), is officially reported at 7.8 million tonnes, 18 percent higher than in 2010, while in the **Republic of Moldova** it is estimated above the previous year by 3 percent.

Food prices of staple products are high but remain stable in recent months

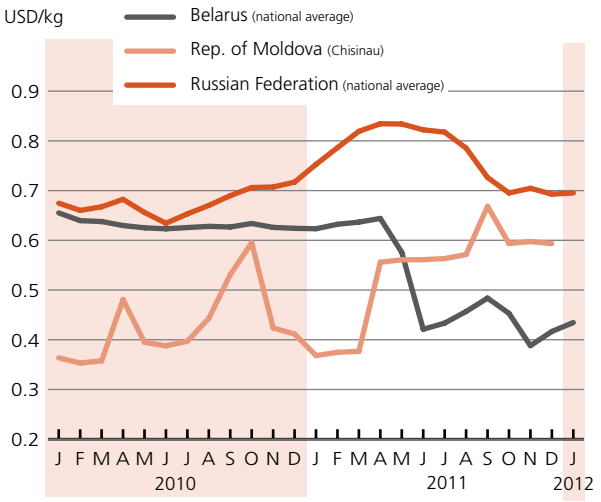
In the European CIS, prices of main staple products stabilized in October but remained at relatively high levels. In the Russian Federation, bread and wheat flour prices in January 2012 were around their levels of a year earlier. In Belarus, prices of wheat flour and bread remain high well above last year's levels due to acceleration of general inflation. Prices of potatoes have increased slightly since December in all countries, reflecting seasonal patterns. Following increased export availabilities and the removal of trade restrictions in the Russian Federation and Ukraine, export prices of milling wheat have fallen significantly compared to a year ago.

Table 18. North America, Europe and Oceania cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	2009	2010	2011 estim.	Change: 2011/2010 (%)
North America	**87.2**	**83.2**	**79.7**	**371.7**	**353.0**	**345.9**	**10.0**	**11.0**	**8.4**	**468.9**	**447.2**	**434.0**	**-3.0**
Canada	26.8	23.2	25.3	22.7	22.4	21.9	0.0	0.0	0.0	49.5	45.6	47.2	3.5
United States	60.4	60.1	54.4	349.0	330.6	324.0	10.0	11.0	8.4	419.4	401.7	386.8	-3.7
Europe	**228.2**	**201.2**	**223.8**	**232.6**	**201.6**	**234.1**	**4.3**	**4.4**	**4.5**	**465.1**	**407.2**	**462.3**	**13.5**
Belarus	1.6	1.7	2.0	5.7	4.9	5.8	0.0	0.0	0.0	7.3	6.6	7.8	17.7
EU	138.6	136.4	138.0	156.0	140.2	148.2	3.2	3.1	3.1	297.8	279.7	289.2	3.4
Russian Federation	61.7	41.5	56.2	33.1	20.2	33.8	0.9	1.1	1.2	95.8	62.7	91.2	45.4
Serbia	2.1	1.7	2.1	6.8	7.6	6.8	0.0	0.0	0.0	8.9	9.2	8.9	-3.1
Ukraine	20.9	16.9	22.3	24.6	22.0	33.0	0.1	0.2	0.2	45.6	39.0	55.4	42.2
Oceania	**22.1**	**28.2**	**29.8**	**13.3**	**12.4**	**13.9**	**0.1**	**0.2**	**0.7**	**35.5**	**40.8**	**44.5**	**8.9**
Australia	21.8	27.9	29.5	12.7	11.9	13.4	0.1	0.2	0.7	34.6	40.0	43.6	9.1

Note: Totals and percentage change computed from unrounded data.

Figure 11. Retail wheat flour prices in Belarus, Russian Federation and Republic of Moldova



Sources: National Statistical Committee of the Republic of Belarus; ACSA, Rep. of Moldova; Ministry of Agriculture of the Russian Federation.

Oceania

Australia gathers record 2011 cereal harvest and early outlook for 2012 winter crops is favourable

The recently completed 2011 wheat harvest in **Australia**, which accounts for the bulk of the annual grain production, is officially estimated at a record 29.5 million tonnes, about 6 percent up from the already bumper 2010 crop. Barley production also increased significantly in 2011, rising about 5.2 percent to reach 8.6 million tonnes.

Regarding the **2012** summer coarse grains, abundant rainfall throughout the growing period has resulted in above-average yield prospects and the aggregate production of sorghum and maize is set to rise by about 14 percent from 2011, despite a reduction of the area planted to these crops. Localized flooding due to exceptionally heavy rainfall in some parts is not expected to have an impact on the overall good harvest prospects at a national level. Early indications for the 2012 wheat crop, which will be planted from April to June, point towards another good crop although some decline from the 2011 record is likely. With the large inventories accrued after the bumper crop in 2010 and the record harvest in 2011, farmers are expected to switch some land back to other crops, in particular break crops such as pulses and oilseeds. However, regardless of the final cropping decisions to be decided in the coming weeks, from a practical point of view, given the above-average levels of soil moisture reserves reported throughout many parts of the main eastern growing regions following the abundant summer rains, the 2012 winter grain season looks set to get off to a good start.

Statistical appendix

Table A1. Global cereal supply and demand indicators

	Average 2004/05 - 2008/09	2007/08	2008/09	2009/10	2010/11	2011/12
1. Ratio of world stocks to utilization (%)						
Wheat	26.1	21.7	26.3	29.8	27.4	29.1
Coarse grains	16.9	15.0	17.7	17.1	15.0	14.2
Rice	25.4	25.6	28.6	29.2	29.9	32.4
Total cereals	21.4	19.1	22.4	23.3	21.7	22.1
2. Ratio of major grain exporters' supplies to normal market requirements (%)	126.4	119.7	125.2	121.6	119.2	114.3
3. Ratio of major exporters' stocks to their total disappearance (%)						
Wheat	18.7	13.3	18.2	21.3	18.5	19.1
Coarse grains	15.2	12.5	15.3	15.2	11.1	9.6
Rice	17.6	18.8	22.9	20.8	20.1	22.7
Total cereals	17.2	14.9	18.8	19.1	16.6	17.1
	Annual trend growth rate 2001-2010	**Change from previous year**				
		2007	**2008**	**2009**	**2010**	**2011**
4. Changes in world cereal production (%)	1.9	5.7	7.2	-1.0	-0.6	4.0
5. Changes in cereal production in the LIFDCs (%)	2.1	4.1	4.1	-0.3	7.1	1.1
6. Changes in cereal production in the LIFDCs less India (%)	2.8	0.6	6.0	4.6	6.3	-2.0
	Average 2004-2008	**Change from previous year (%)**				
		2008	**2009**	**2010**	**2011**	**2012***
7. Selected cereal price indices:						
Wheat	148.3	31.5	-34.6	9.6	31.5	-21.2
Maize	135.9	36.5	-25.5	12.0	57.6	0.7
Rice	166.9	82.9	-14.0	-9.4	9.5	-8.0

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-February average.

Table A2. World cereal stocks[1]

(million tonnes)

	2007	2008	2009	2010	2011 estimate	2012 forecast
TOTAL CEREALS	**422.2**	**419.0**	**502.3**	**528.5**	**503.7**	**518.3**
Wheat	**157.7**	**140.1**	**173.7**	**197.8**	**188.7**	**195.7**
held by:						
- main exporters[2]	39.8	32.6	49.3	55.3	50.9	51.6
- others	117.9	107.5	124.4	142.5	137.8	144.1
Coarse grains	**158.0**	**165.3**	**200.2**	**196.1**	**174.4**	**171.0**
held by:						
- main exporters[2]	60.0	71.8	84.8	85.6	63.2	53.4
- others	98.0	93.5	115.4	110.5	111.2	117.6
Rice (milled basis)	**106.5**	**113.6**	**128.4**	**134.7**	**140.7**	**151.6**
held by:						
- main exporters[2]	24.4	28.3	35.3	32.2	32.1	36.8
- others	82.1	85.3	93.1	102.5	108.6	114.8
Developed countries	**127.9**	**126.2**	**175.7**	**188.6**	**152.3**	**152.8**
Australia	6.3	5.5	6.2	6.6	9.0	9.7
Canada	10.5	8.5	13.0	13.6	10.8	9.2
European Union[3]	30.0	30.3	46.9	44.5	32.8	33.4
Japan	5.3	4.8	4.6	4.8	4.8	4.7
Russian Federation	3.6	5.2	17.7	19.9	16.2	14.4
South Africa	2.7	1.8	2.7	3.6	4.5	3.0
Ukraine	4.2	4.9	8.1	7.1	7.0	14.1
United States	49.9	54.3	65.9	75.9	57.3	47.1
Developing countries	**294.2**	**292.8**	**326.5**	**339.9**	**351.5**	**365.5**
Asia	**244.9**	**246.8**	**271.7**	**284.5**	**291.6**	**306.4**
China	152.3	145.1	158.5	168.0	173.5	183.5
India	30.4	40.9	47.9	43.3	44.2	47.7
Indonesia	5.2	6.1	7.4	9.1	10.8	11.3
Iran (Islamic Republic of)	3.5	3.0	5.5	5.4	5.2	4.8
Korea, Republic of	2.2	3.0	2.9	4.1	4.1	4.2
Pakistan	2.4	3.2	3.4	4.0	2.3	3.2
Philippines	2.7	3.2	4.2	5.0	4.1	3.7
Syrian Arab Republic	4.1	3.6	2.5	3.0	1.8	1.1
Turkey	7.1	5.2	4.1	4.2	4.2	4.6
Africa	**29.1**	**24.1**	**26.4**	**31.0**	**33.9**	**32.1**
Algeria	3.7	3.4	2.7	3.6	3.9	3.7
Egypt	4.3	3.3	5.6	7.0	6.7	7.8
Ethiopia	0.5	0.7	0.8	1.5	1.5	1.7
Morocco	4.0	2.1	1.6	3.0	3.5	3.7
Nigeria	2.1	1.0	1.5	1.6	1.7	1.5
Tunisia	1.2	1.9	1.5	1.5	1.0	1.5
Central America	**5.1**	**5.3**	**5.9**	**4.4**	**5.3**	**4.7**
Mexico	3.0	3.2	4.1	2.7	3.4	2.8
South America	**14.7**	**16.3**	**22.2**	**19.7**	**20.3**	**22.0**
Argentina	5.0	7.3	3.7	2.2	6.3	7.5
Brazil	3.6	2.3	10.9	10.2	7.1	7.3

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

[1] Stocks data are based on an aggregate of carryovers at the end of national crop years and do not represent world stock levels at any point in time.

[2] 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.

Table A3. Selected international prices of wheat and coarse grains

(USD/tonne)

	Wheat			Maize		Sorghum
	US No.2 Hard Red Winter Ord. Prot.[1]	US Soft Red Winter No.2 [2]	Argentina Trigo Pan[3]	US No.2 Yellow[2]	Argentina[3]	US No.2 Yellow[2]
Annual (July/June)						
2003/04	161	149	154	115	109	118
2004/05	154	138	123	97	90	99
2005/06	175	138	138	104	101	108
2006/07	212	176	188	150	145	155
2007/08	361	311	318	200	192	206
2008/09	270	201	234	188	180	170
2009/10	209	185	224	160	168	165
2010/11	316	289	311	254	260	248
Monthly						
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	243	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	303	276	299	206	229	215
2010 - October	291	266	294	236	248	231
2010 - November	291	276	295	236	246	234
2010 - December	327	310	300	252	260	251
2011 - January	340	317	317	263	272	262
2011 - February	362	336	347	287	288	276
2011 - March	334	302	348	291	288	279
2011 - April	364	318	352	321	314	302
2011 - May	362	309	351	309	303	277
2011 - June	333	282	341	308	306	285
2011 - July	307	264	310	304	300	279
2011 - August	336	280	292	313	312	304
2011 - September	329	270	300	300	294	285
2011 - October	301	255	260	275	276	265
2011 - November	299	256	239	275	271	275
2011 - December	290	246	224	259	242	261
2012 - January	298	258	249	275	258	271
2012 - February	297	262	263	279	267	268

Sources: International Grains Council and USDA.

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

[2] Delivered United States Gulf.

[3] Up River f.o.b.

Table A4a. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2011/12 or 2012 estimates

(thousand tonnes)

		2010/11 or 2011 Actual imports			2011/12 or 2012 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		**38 077.8**	**1 712.6**	**39 790.4**	**42 289.0**	**11 576.2**	**748.8**	**10 827.4**
North Africa		**16 061.0**	**0.0**	**16 061.0**	**16 671.0**	**8 601.7**	**0.0**	**8 601.7**
Egypt	July/June	16 061.0	0.0	16 061.0	16 671.0	8 601.7	0.0	8 601.7
Eastern Africa		**5 758.0**	**1 095.9**	**6 853.9**	**8 375.0**	**1 430.7**	**545.8**	**884.9**
Burundi	Jan./Dec.	106.0	27.1	133.1	135.0	2.5	2.5	0.0
Comoros	Jan./Dec.	53.0	0.0	53.0	53.0	0.0	0.0	0.0
Djibouti	Jan./Dec.	94.6	8.4	103.0	92.5	5.1	5.1	0.0
Eritrea	Jan./Dec.	367.0	0.0	367.0	383.0	0.0	0.0	0.0
Ethiopia	Jan./Dec.	448.8	600.3	1 049.1	956.0	161.1	161.1	0.0
Kenya	Oct./Sept.	1 537.7	132.5	1 670.2	2 010.0	450.9	101.9	349.0
Rwanda	Jan./Dec.	156.0	7.0	163.0	72.0	0.0	0.0	0.0
Somalia	Aug./July	345.7	50.3	396.0	473.0	174.9	170.6	4.3
Sudan[3]	Nov./Oct.	1 664.2	208.4	1 872.6	2 910.0	340.4	97.6	242.8
Uganda	Jan./Dec.	367.4	38.4	405.8	450.0	0.0	0.0	0.0
United Rep. of Tanzania	June/May	617.6	23.5	641.1	840.5	295.8	7.0	288.8
Southern Africa		**1 599.7**	**157.9**	**1 757.6**	**1 910.0**	**1 079.1**	**122.7**	**956.4**
Lesotho	April/March	208.5	0.5	209.0	249.0	190.0	0.0	190.0
Madagascar	April/March	162.2	24.5	186.7	320.0	47.6	15.4	32.2
Malawi	April/March	82.0	24.6	106.6	122.0	144.1	29.0	115.1
Mozambique	April/March	782.5	76.3	858.8	825.0	630.0	56.9	573.1
Zambia	May/April	25.9	5.0	30.9	24.0	25.3	1.3	24.0
Zimbabwe	April/March	338.6	27.0	365.6	370.0	42.1	20.1	22.0
Western Africa		**12 900.1**	**299.8**	**13 199.9**	**13 401.0**	**461.2**	**76.8**	**384.4**
Coastal Countries		***9 974.7***	***117.2***	***10 091.9***	***10 107.5***	***9.3***	***9.3***	***0.0***
Benin	Jan./Dec.	339.1	16.9	356.0	347.0	6.6	6.6	0.0
Côte d'Ivoire	Jan./Dec.	1 251.7	18.3	1 270.0	1 335.0	0.4	0.4	0.0
Ghana	Jan./Dec.	790.0	18.2	808.2	835.0	0.7	0.7	0.0
Guinea	Jan./Dec.	571.6	5.4	577.0	557.0	0.0	0.0	0.0
Liberia	Jan./Dec.	308.0	37.7	345.7	354.0	0.1	0.1	0.0
Nigeria	Jan./Dec.	6 320.0	0.0	6 320.0	6 360.0	0.0	0.0	0.0
Sierra Leone	Jan./Dec.	198.3	20.7	219.0	119.0	1.5	1.5	0.0
Togo	Jan./Dec.	196.0	0.0	196.0	200.5	0.0	0.0	0.0
Sahelian Countries		***2 925.4***	***182.6***	***3 108.0***	***3 293.5***	***451.9***	***67.5***	***384.4***
Burkina Faso	Nov./Oct.	336.4	13.6	350.0	385.0	10.7	3.5	7.2
Chad	Nov./Oct.	115.9	92.6	208.5	208.5	55.5	43.6	11.9
Gambia	Nov./Oct.	163.3	1.7	165.0	165.5	3.4	1.9	1.5
Guinea-Bissau	Nov./Oct.	116.0	3.0	119.0	154.3	0.0	0.0	0.0
Mali	Nov./Oct.	189.9	1.9	191.8	211.2	19.4	2.9	16.5
Mauritania	Nov./Oct.	517.6	6.4	524.0	541.0	299.7	6.9	292.8
Niger	Nov./Oct.	322.5	55.2	377.7	373.0	6.6	6.4	0.2
Senegal	Nov./Oct.	1 163.8	8.2	1 172.0	1 255.0	56.6	2.3	54.3
Central Africa		**1 759.0**	**159.0**	**1 918.0**	**1 932.0**	**3.5**	**3.5**	**0.0**
Cameroon	Jan./Dec.	788.8	5.2	794.0	795.0	0.0	0.0	0.0
Cent.Afr.Rep.	Jan./Dec.	53.7	9.3	63.0	63.0	1.6	1.6	0.0
Congo	Jan./Dec.	321.5	6.5	328.0	327.0	0.4	0.4	0.0
Dem.Rep.of the Congo	Jan./Dec.	577.5	137.5	715.0	730.0	1.5	1.5	0.0
Sao Tome and Principe	Jan./Dec.	17.5	0.5	18.0	17.0	0.0	0.0	0.0

Table A4b. Cereal import requirements of Low-Income Food-Deficit Countries[1], 2011/12 or 2012 estimates

(thousand tonnes)

		2010/11 or 2011 Actual imports			2011/12 or 2012 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		**35 926.6**	**506.8**	**36 433.4**	**39 774.2**	**10 855.8**	**128.4**	**10 727.4**
Cis in Asia		**3 825.9**	**54.4**	**3 880.3**	**4 686.3**	**2 841.3**	**0.0**	**2 841.3**
Georgia [4]	July/June	689.2	0.4	689.6	923.0	474.0	0.0	474.0
Kyrgyzstan	July/June	400.9	46.3	447.2	518.3	294.8	0.0	294.8
Tajikistan	July/June	961.8	7.7	969.5	1 125.0	644.1	0.0	644.1
Uzbekistan	July/June	1 774.0	0.0	1 774.0	2 120.0	1 428.4	0.0	1 428.4
Far East		**21 253.1**	**293.5**	**21 546.6**	**20 927.5**	**5 738.3**	**128.4**	**5 609.9**
Bangladesh	July/June	5 324.0	163.9	5 487.9	3 250.0	708.4	81.2	627.2
Bhutan	July/June	58.5	0.0	58.5	59.5	0.0	0.0	0.0
Cambodia	Jan./Dec.	38.1	1.9	40.0	40.0	0.0	0.0	0.0
D.P.R. of Korea	Nov./Oct.	422.1	59.9	482.0	739.0	52.3	42.2	10.1
India	April/March	337.9	0.0	337.9	283.5	1.1	0.0	1.1
Indonesia	April/March	8 417.5	3.1	8 420.6	10 304.1	3 924.7	0.0	3 924.7
Lao, P.D.R.	Jan./Dec.	41.2	2.5	43.7	44.9	1.6	1.6	0.0
Mongolia	Oct./Sept.	143.0	0.0	143.0	115.8	11.9	0.0	11.9
Nepal	July/June	421.0	16.0	437.0	291.8	0.9	0.9	0.0
Philippines	July/June	4 717.3	16.4	4 733.7	4 540.4	1 034.9	0.0	1 034.9
Sri Lanka	Jan./Dec.	1 271.7	19.4	1 291.1	1 184.0	2.5	2.5	0.0
Timor-Leste	July/June	60.8	10.4	71.2	74.5	0.0	0.0	0.0
Near East		**10 847.6**	**158.9**	**11 006.5**	**14 160.4**	**2 276.2**	**0.0**	**2 276.2**
Afghanistan	July/June	1 004.9	102.4	1 107.3	2 250.4	78.1	0.0	78.1
Iraq	July/June	3 647.9	0.2	3 648.1	4 425.0	987.7	0.0	987.7
Syrian Arab Republic	July/June	3 054.2	36.9	3 091.1	4 010.0	1 210.4	0.0	1 210.4
Yemen	Jan./Dec.	3 140.6	19.4	3 160.0	3 475.0	0.0	0.0	0.0
CENTRAL AMERICA		**1 564.7**	**240.7**	**1 805.4**	**1 750.5**	**405.5**	**16.2**	**389.3**
Haiti	July/June	419.1	216.3	635.4	655.5	43.4	13.2	30.2
Honduras	July/June	774.6	0.4	775.0	755.0	246.7	1.3	245.4
Nicaragua	July/June	371.0	24.0	395.0	340.0	115.4	1.7	113.7
OCEANIA		**422.4**	**0.0**	**422.4**	**430.4**	**0.0**	**0.0**	**0.0**
Kiribati	Jan./Dec.	8.7	0.0	8.7	8.7	0.0	0.0	0.0
Papua New Guinea	Jan./Dec.	382.2	0.0	382.2	390.2	0.0	0.0	0.0
Solomon Islands	Jan./Dec.	31.5	0.0	31.5	31.5	0.0	0.0	0.0
EUROPE		**81.2**	**0.0**	**81.2**	**97.0**	**45.0**	**0.0**	**45.0**
Republic of Moldova	July/June	81.2	0.0	81.2	97.0	45.0	0.0	45.0
TOTAL		**76 072.7**	**2 460.1**	**78 532.8**	**84 341.1**	**22 882.5**	**893.4**	**21 989.1**

Source: FAO

[1] The Low-Income Food-Deficit (LIFDC) group of countries includes net food deficit countries with annual per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 905 in 2009); for full details see http://www.fao.org/countryprofiles/lifdc.asp.

[2] Estimates based on information as of early February 2012.

[3] Including South Sudan.

[4] Georgia is no longer a member of CIS but its inclusion in this group is maintained temporarily.

GIEWS The Global Information and Early Warning System on Food and Agriculture

continuously monitors crop prospects and food security situation at global, regional, national and sub-national levels and warns of impending food difficulties and emergencies. Established in the wake of the world food crisis of the early 1970's, GIEWS maintains a unique database on all aspects of food supply and demand for every country of the world. The System regularly provides policy makers and the international community with up-to-date information so that timely interventions can be planned and suffering avoided.

Crop Prospects and Food Situation is published by the Trade and Markets Division of FAO under the Global Information and Early Warning System (GIEWS). It is published four times a year and focuses on developments affecting the food situation of developing countries and the Low-Income Food-Deficit Countries (LIFDCs) in particular. The report provides a review of the food situation by geographic region, a section dedicated to the LIFDCs and a list of countries requiring external assistance for food. It also includes a global cereal supply and demand overview to complement the biannual analysis in the ***Food Outlook*** publication. ***Crop Prospects and Food Situation*** is available in English, French, Spanish and Chinese in print as well as electronic format.

Crop Prospects and Food Situation and other GIEWS reports are available on the internet as part of the FAO world wide web (**http:/www.fao.org/**) at the following URL address: **http:/www.fao.org/giews/**. In addition, GIEWS ***Special Reports*** and ***Special Alerts***, when published, can be received by e-mail through automatic mailing lislts: subscription information is available at **http:/www.fao.org/giews/english/listserv.htm**.

This report is based on information available up to mid-February 2012.

Enquiries may be directed to:

Global Information and Early Warning System

Trade and Markets Division (EST)

Food and Agriculture Organization of the United Nations

Via delle Terme di Caracalla

00153 Rome - Italy

Direct Facsimile: 0039-06-5705-4495

E-mail: GIEWS1@fao.org