

Annex 15

Examples of staple food balance sheets for three main types of food crisis

The following examples show how national FB sheets relate to each of the three main types of food crises distinguished in 1.2 by comparing balances for the upcoming marketing year (t) with those for the previous year (t-1). They can also help illustrate how balance sheet estimates for emergency food aid imports may differ from the aggregate of estimated household food access shortfalls.

The first table (below) illustrates a situation where **production fell** substantially from year t-1 to year t, the current marketing year. Projected habitual food use would grow with population, but total utilization has fallen because exports and closing stocks have been cut, due to tighter supplies. If the country is unable to increase commercial imports over and above the previous year's level, the uncovered deficit of 2.84 million tons needs to be covered through food assistance to avoid a fall in total food consumption. However, if the country is not one of the poorest, and an exceptional doubling of commercial imports to 1.6 million tons is economically possible, the net deficit may fall to just over 2 million tons.

Exceptional shortfall in production		
National Food Balance Sheet (1,000 metric tons)		
	(t-1)	(t)
Domestic availability (1)	12,800	9,300
Opening stocks	500	500
Production	12,300	8,800
Main season	12,000	9,000
Secondary season (forecast)	300	300
Total utilization (2)	13,612	13,000
Food use (3% growth p.a.)	10,616	10,934
Feed use	300	300
Seed use	650	650
Losses (12%)	1,476	1,116
Exports	70	-
Closing stocks	500	-
Total Import requirement (2-1)	812	3,700
Commercial imports	800	800
Food aid received and pledged	12	60
Uncovered deficit	-	2,840

The second illustration assumes an increase in production **after a bad year**, in a very poor country³⁰. Food use and total utilization have grown, but the respective shares of cereal production being held after harvest by households on the one hand, and by traders on the other, depends on the extent of indebtedness in the previous year. For a very poor country, **indebtedness** during a bad year tends to be high and widespread, so reimbursements in kind at harvest time may represent up to half of food production by households. Although commercial imports and food aid requirements have fallen, the NFBS does not reflect the post-harvest change in ownership of food supplies. In such a case, the report should conclude that no substantial amounts of food aid are needed, but that, in spite of a seemingly balanced demand/supply situation, most households critically need financial support to buy back most of the food, available in country but now held by private traders. Similar situations may arise in countries afflicted by sudden economic collapses and mass unemployment, even in the presence of sufficient supplies.

Generalized lack of access		
National Food Balance Sheet (1,000 metric tons)		
	(t-1)	(t)
Domestic availability (1)	12,800	13,400
Opening stocks	500	-
Production	12,300	13,400
Main season	12,000	13,100
Secondary season (forecast)	300	300
Total utilization (2)	13,112	13,562
Food use (3% growth p.a.)	10,616	10,934
Feed use	300	300
Seed use	650	650
Losses (12%)	1,476	1,608
Exports	70	70
Closing stocks	-	-
Total Import requirement (2-1)	312	162
Commercial imports	112	102
Food aid received and pledged	200	60
Uncovered deficit	-	0

The third case also depicts an increase in production. Total food use and total utilization have grown from t-1 to t, due to a large increase in exports (although imports continue for cereals not grown in country). However, the overall increase in production “hides”

³⁰ For the lowest-income food deficit countries, it is not uncommon for FAO and WFP to carry out assessments on a regular basis.

long-term, substantial and severe **local deficits** in parts of the country where the exportable national surplus is not available to large numbers of people. With relatively small amounts of food aid, the aggregate uncovered deficit has theoretically disappeared, but large numbers of people may still not have physical or financial access to food, and need food assistance because domestic resource transfers are inexistent.

Severe localized food insecurity		
National Food Balance Sheet (1,000 metric tons)		
	(t-1)	(t)
Domestic availability (1)	12,800	14,500
Opening stocks	500	500
Production	12,300	14,000
Main season	12,000	14,200
Secondary season (forecast)	300	300
Total utilization (2)	13,612	14,694
Food use (3% growth p.a.)	10,616	10,934
Feed use	300	300
Seed use	650	650
Losses (12%)	1,476	1,740
Exports	70	570
Closing stocks	500	500
Total Import requirement (2-1)	812	194
Commercial imports	112	160
Food aid received and pledged	200	34
Uncovered deficit	500	0