



Crop Prospects and Food Situation

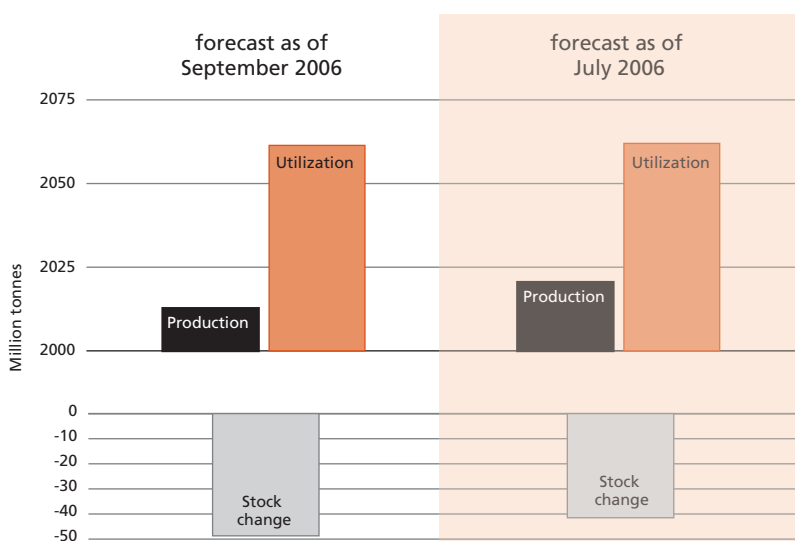
HIGHLIGHTS

- **The FAO's latest assessment shows that 40 countries are facing food emergencies and require external assistance.** Among them, the most pressing humanitarian problem remains the crisis in the Darfur region of Sudan. The already precarious food supply situation may worsen if deteriorating security disrupts the main harvest due to start in the coming few weeks.
- **Prospects for the 2006 world cereal harvest have deteriorated further since July.** Exceptionally hot and dry weather is adversely affecting the wheat crops in Australia, Argentina and Brazil, while drier-than-normal weather in parts of South Asia is also raising some concern for the second 2006 paddy crop.
- **Latest information confirms a tighter world cereal balance in 2006/07.** Compared to earlier expectations, global cereal output is seen to be smaller, and to meet the anticipated utilization in 2006/07, world closing stocks are forecast to be lower. As a result, international prices of most cereals have increased sharply so far this year.
- **Low supplies call for a closer monitoring of world food situation.** Despite good crops in many of the **Low-Income Food-Deficit Countries**, this year's anticipated sharp fall in global stocks may lead to a more precarious situation next season should weather problems prevent an increase in world cereal production in 2007.
- **The early outlook for the northern hemisphere's main winter cereal crops for harvest in 2007 is generally favourable so far.** Planting is reported to be proceeding well in Europe, and in the United States, where a large expansion in wheat area is expected.

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The state of the global cereal balance in 2006/07



Food emergencies update

In **Western Africa**, in spite of a satisfactory food supply situation, serious localized food insecurity is reported in several countries including **Burkina Faso, Guinea-Bissau, Mali, Mauritania, Niger**, due mostly to lack of access problems. Emergency food assistance continues to be needed in **Chad, Côte d'Ivoire, Guinea, Liberia, Sierra Leone** due to large numbers of IDPs and refugees. In **Central Africa**, in the **Central African Republic**, the majority of the population is facing food insecurity following disruption in production and marketing activities as a result of civil strife.

(contd. on page 2)

Food emergencies update (continued from page 1)

In **Eastern Africa**, despite improved prospects for the 2006/07 crops in parts, floods, erratic rains and conflict related displacement have negatively impacted on the food situation of large number of people. Most of the pastoral areas of the region have yet to recover from the successive poor rains that have severely affected livestock and resulted in acute food shortages and migration of thousands of people in search of water and food. In **Eritrea**, despite improved main season rains from August, the food outlook remains difficult for large numbers of displaced people and pastoralists affected by earlier drought. In **Ethiopia**, abundant rains in major agricultural areas have significantly improved the food supply situation. However, food shortages persist in the pastoral areas. In addition, urgent food and non-food assistance is needed for more than 200 000 people who have lost property, crops and livestock. In **Kenya**, despite an overall improvement in food supply, inadequate rains in May and June, particularly in pastoral districts, have slowed recovery from the effects of the recent devastating drought. In **Somalia**, the recent gu Assessment confirmed that a severe food crisis will persist throughout the country for the rest of 2006, affecting at least 1.8 million people. The situation is further aggravated by the intermittent hostilities and recent upsurge in insecurity. Recent heavy rains and overflowing rivers have caused localized flooding that affected tens of thousands of people and farmland. In **Sudan**, the continued crisis in Darfur, remains the most pressing humanitarian problem. Hundreds of thousands of people could be displaced again should Darfur face an upsurge in conflict. A realistic scenario could see as many as 350 000 people displaced, loss of basic services such as clean water and healthcare, and an increased dependence on helicopters and planes to deliver aid as road travel becomes too dangerous. Food security prospects in Darfur are doubly worrying as the deteriorating security situation may disrupt the main harvest, about to start in the coming few weeks. In southern Sudan, conflict arising from this year's disarmament process and the ongoing cattle raiding in Jonglei continues to exacerbate food insecurity. Extensive floods in parts have also displaced tens of thousands of people, destroyed crops and aggravated the already precarious food supply situation in the affected areas. In **Tanzania** and **Uganda**, the overall food supply situation is adequate but food difficulties remain in parts due to localized drought and/or insecurity.

In **Southern Africa**, despite a significant improvement in the 2006 main crops compared to last year, emergency food aid of about 542 000 tonnes of cereals in aggregate is required due to different factors. In **Lesotho**, **Swaziland** and **Zimbabwe**, generally inadequate production, high unemployment, low purchasing power and the cumulative impact of HIV/AIDS are the main contributing factors to food insecurity. In **Zimbabwe**, the sky-rocketing prices, with inflation officially estimated at an unprecedented level estimated of 1 205 percent in July 2006, are expected to reach over 4000 percent next year (IMF). According to the findings of the Zimbabwe Vulnerability Assessment Committee 1.4 million rural people (about 17 percent of the total

rural population) will not be able to meet their minimum cereal needs during the 2006/07 season. In addition, unemployment, lack of incomes and continually eroding purchasing power is increasing the number of food insecure in the urban areas. In **Angola**, despite economic growth and increased oil revenues, some 800 000 vulnerable people are estimated to require about 58 000 tonnes of cereal assistance in localized areas. Drought in southern parts of **Madagascar** has reduced food availability, and international food assistance is needed. In the **Great Lakes region** the continuing civil strife in the **Democratic Republic of the Congo**, has affected large numbers of people who need food assistance. Food aid is also needed in **Burundi** following the reduced 2006 total harvest, combined with resettlement of returnees and IDPs.

In **Asia**, food insecurity has become more severe in the **Democratic People's Republic of Korea** as a result of reduced food aid and crop damage due to July floods. The food security situation remains precarious in **Mongolia** despite improved weather condition this year. Hundred of thousands of people affected by civil unrest in **Timor-Leste** still need food assistance. In **Sri Lanka**, despite a good crop forecast, the deterioration of the political and security situation has significantly affected food security in the country, particularly in the northeast. An earthquake and tsunami on the island of Java in **Indonesia** in July 2006 caused widespread damage to houses and displaced a large number of people. Over 45 000 people in **Nepal**, affected by drought and floods have received relief assistance. Unprecedented floods caused by several weeks of torrential rain have made millions of people in **India and Pakistan** homeless and in need of food assistance. The worst drought in last fifty years has affected more than 3 million hectares of crops in Sichuan and Chongqing in **China**.

In **Iraq**, conflict and insecurity continues to affect the lives of large number of people triggering the displacement of hundreds of thousands people. Drought and unusually high temperatures have compromised food production in **Afghanistan** and **Armenia**. In addition, increased military operations and conflict over the past year in Afghanistan have further deteriorated food insecurity in the country.

In **Central America**, food aid is still being provided to some vulnerable rural families affected by hurricanes during the second half of 2005 in **El Salvador** and **Guatemala**. Food aid is also being distributed to population with lack of access to food in **Haiti**, **Nicaragua** and **Honduras**. In **South America**, abundant ash fall following the eruption of the Tungurahua volcano in **Ecuador** in mid-August has severely affected the provinces of Los Ríos and Bolívar, damaging local food production and seriously affecting soil fertility for the next years. Situations of localized food insecurity are also reported in some areas of **Bolivia**, in the department of Santa Cruz, where intense precipitations in March caused losses of cash and food crops.

In **Europe**, military operations and civil conflict continue to affect social and economic activities in **Chechnya**. Many internally displaced people require food assistance.

Global cereal supply and demand brief

World cereal balance becoming tighter

With many of the main 2006 cereal crops already gathered or nearing maturity, latest information indicates a slightly smaller output than was foreseen earlier this year in July. FAO's forecast for world cereal production in 2006 now stands at about 2 013 million tonnes, almost 8 million tonnes down since the previous report and 1.6 percent less than the 2005 output. With this revision, the shortfall in production compared to the expected utilization in 2006/07 has grown, and a larger drawdown in global cereal stocks is now forecast. Much smaller crops to be harvested later in the year in exporters in the southern hemisphere – Australia and Argentina – are likely to add to this supply pressure, keeping prices firm and adding to their volatility during the second half of the marketing season. Notwithstanding this development, an adequate level of cereal carryover stocks from the previous season combined with relatively good production in several major importing countries are expected to prevent any involuntary rationing of demand. However, such an eventuality cannot be ruled out in 2007/08 should world cereal production fail to rebound significantly in 2007.

Low global supplies call for a closer monitoring of world food situation

As one of its principal mandates, FAO monitors closely the world food supply and demand situation and is expected to alert the international community in case of any imminent danger to the global food security. Any tightening in global food supplies is always regarded as a cause for concern primarily because of its repercussions for international prices

and subsequent impacts on the import bill of many food importing developing countries, especially those in the lower income category. Declines in this year's cereal production, lower levels of stocks and a sharp increase in international prices have raised questions about the global food situation. The main concern is the declining stocks and whether supplies will be adequate to meet demand without world prices surging to even higher levels.

The apparent tightening of the global food balance is largely confirmed by the six leading market indicators used by FAO for its regular assessment of world cereal supplies. The following provides a brief discussion of those indicators; their meaning and what they imply for this season.

The **first indicator** (see Figure 1) is the ratio of world cereal ending stocks in any given season to world cereal utilization in the following season. The ratio for this season is 20 percent, down from 23 percent in the previous season and well below 28 percent at the beginning of this decade. Large draw downs of stocks in China has been the main factor for a declining trend in the global stocks-to-use ratio in previous years but lately it is in the EU and the United States where stocks are seen to decline most.

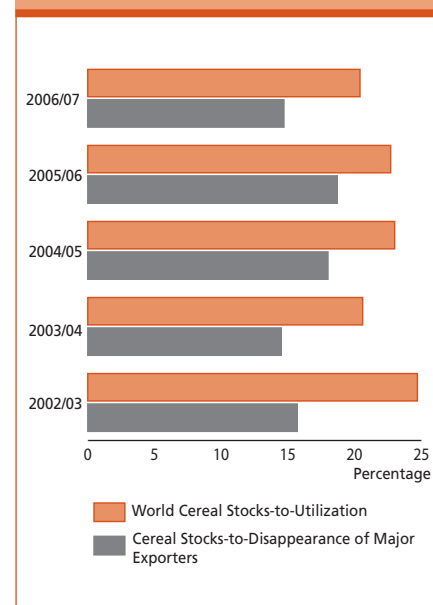
The **second indicator** measures the ability of the five major grain exporters (which includes both the EU and the United States) to meet the global demand for wheat and coarse grains imports. This indicator is the ratio of the exporters' supplies (i.e. a sum of production, opening stocks, and imports) to their normal market requirements (defined as domestic utilization plus exports of the three preceding years). For the current marketing season, this ratio is forecast at 1.22, which

implies that supplies in 2006/07 could exceed requirements by about 22 percent. This is in a sharp contrast to the previous two seasons when supplies exceeded requirements by 34 to 36 percent.

The **third indicator** (see Figure 1) is the ratio of the major exporters' ending stocks, by cereal type to their total disappearance (i.e. domestic consumption plus exports). As with the second indicator, the ratios for both wheat and coarse grains point to a sharp decrease from the previous season; for wheat from 23 percent to about 15 percent; and for coarse grains from 18 percent to 13 percent. However, for rice, the expectation is for a small increase from 15 to 16 percent.

One underlying factor for year-to-year variations in supply situation is change in production. The **fourth indicator** (see Figure 2) shows the size of this change at the global level and for all cereals. In 2006, world cereal production is forecast to decline by 1.6 percent, and this decline follows a 1 percent contraction already in the previous year. In spite of this, however, production levels in both years are still above average. While two years of consecutive declines may still be regarded

Figure 1. Important global stock ratios



as a cause for concern, the overall change may be mitigated by developments at regional levels or on a commodity basis.

Because the Low-Income Food-Deficit Countries (LIFDCs) are more vulnerable to changes in their own supplies and their own production levels are critical for their food security, the **fifth indicator** (see Figure 2) shows only changes in production of the LIFDCs as a group. This indicator suggests a more positive development in that total cereal production by the LIFDCs is expected to increase by some 2 percent in 2006 and this follows an even stronger growth in 2005 when production expanded by over 5 percent.

Since the LIFDCs grouping includes such large countries as China and India, it may be prudent to consider aggregate cereal production developments in LIFDCs excluding these two countries. This is the purpose of the **sixth indicator** (see Figure 2). According to this indicator, even without China and India, total production of the other LIFDCs is expected to expand by 2.4 percent in 2006 which is again a positive outcome although in the previous year it grew more strongly, by 8 percent.

As shown, the first three indicators

which deal more exclusively with stock levels and export supplies, point to a situation that can generally be characterized as less stable than in the previous season. On the other hand, a brighter perspective can be drawn from the last three indicators which primarily provide information on production. This contrasting situation raises the need for closer monitoring of supply and demand in world cereal markets especially during the planting period for the next season. For this season, major markets seem to have already factored in tighter supplies as demonstrated by the increases in international prices. These strong prices are likely to encourage higher plantings and therefore result in larger production next year. However, given the anticipated

decline in cereal closing stocks, should weather problems prevent an increase in world production next year, supplies during 2007/08 would become much tighter and this could lead to a more significant upward movement in international prices than has been witnessed already.

Bigger coarse grain crop emerges in 2006 but wheat is sharply reduced

The reduction in world cereal production forecast since the previous report in July results mainly from downward revisions to the forecasts for wheat, and a slight reduction for rice, which more than offset an increase for coarse grains. Summer drought in several European countries sharply diminished wheat yields, while hot

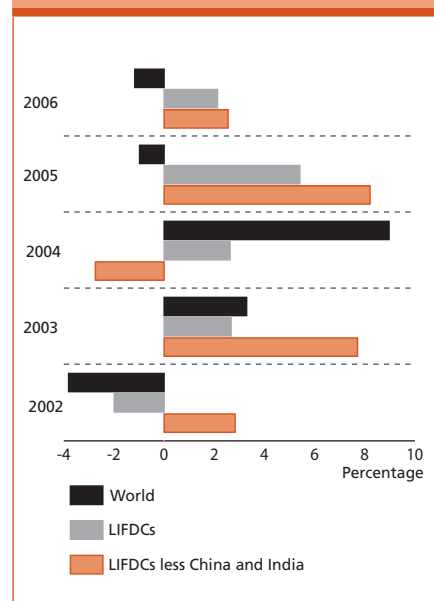
Table 1: World cereal¹ production (million tonnes)

	2005 estimate	2006 forecast	Change: 2006 over 2005 (%)
Asia	891.3	904.3	1.5
Far East	790.4	803.6	1.7
Near East in Asia	72.4	71.6	-1.2
CIS in Asia	28.3	29.0	2.3
Africa	129.5	130.8	1.0
North Africa	31.3	35.6	13.9
Western Africa	42.7	42.5	-0.4
Central Africa	3.3	3.4	1.3
Eastern Africa	29.2	28.5	-2.5
Southern Africa	23.0	20.8	-9.5
Central America & Caribbean	34.7	37.3	7.5
South America	109.3	107.3	-1.8
North America	416.5	401.0	-3.7
Europe	423.2	404.0	-4.5
EU 25	259.1	252.7	-2.5
CIS in Europe	122.3	113.7	-7.1
Oceania	40.7	28.0	-31.1
World	2 045.2	2 012.7	-1.6
Developing countries	1 112.8	1 132.8	1.8
Developed countries	932.4	879.9	-5.6
- wheat	624.9	596.3	-4.6
- coarse grains	998.5	992.3	-0.6
- rice (milled)	421.9	424.1	0.5

¹Includes rice in milled terms.

Note: Totals computed from unrounded data.

Figure 2. Year-to-year change in cereal production



and dry conditions are adversely affecting prospects for the crops still to be harvested in the main southern hemisphere producers – Australia, Argentina and Brazil. The 2006 global wheat output forecast has been reduced by 19 million tonnes since July, and now stands at 596.3 million tonnes, 4.6 percent below last year's good level, but still above the average of the past five years. By contrast, FAO's forecast for global coarse grains production has been increased slightly since the last report to 992.3 million tonnes, which would bring output almost to the level now estimated for last year. The outlook for the harvests currently underway or to start in the coming weeks in many northern hemisphere countries has improved significantly since July. This has more than offset a reduced outcome in Europe, where the crop is largely gathered, and deteriorating prospects in Australia and South America. Regarding rice, at this time of the year, all the main 2006 paddy crops have been planted and some are harvested along and south of the equatorial line. The paddy crops in the temperate climatic zones in the northern hemisphere are also mostly gathered. As the season is progressing, particular attention should be paid to the rainfall pattern in South Asia, where the monsoon should start receding in September/October. For many countries, those rains constitute the main source of water supplies for growing the second, irrigated, paddy crops that will be sown over the last quarter of the year. Over that period, southern hemisphere countries will also be planting their first 2007 paddy crops. Consequently, a recent warning by various institutions monitoring climatic conditions of a likely strengthening of an El Niño event in the last quarter of 2006 and early 2007 has become a matter for concern. The weather phenomenon was already associated with drier-than-average conditions in August in Indonesia, Malaysia and most of the Philippines.

Since the arrival of the monsoon around June, several countries, especially

in Asia, have suffered from an erratic rainfall pattern, which has given rise to flooding episodes and lingering dry spells. As a result, FAO has revised downward its forecast for global paddy production in

2006 by 2 million tonnes to 635 million tonnes (424 million tonnes in milled terms), which would be just marginally up from 2005.

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

	2004/05	2005/06	2006/07	Change: 2006/07 over 2005/06 (%)
PRODUCTION¹	2 066.1	2 045.2	2 012.7	-1.6
wheat	632.0	624.9	596.3	-4.6
coarse grains	1027.9	998.5	992.3	-0.6
rice (milled)	406.2	421.9	424.1	0.5
SUPPLY²	2 481.5	2 512.6	2 481.1	-1.3
wheat	792.5	800.3	770.7	-3.7
coarse grains	1 177.5	1 191.8	1 182.3	-0.8
rice	511.5	520.5	528.0	1.4
UTILIZATION	2 016.0	2 035.7	2 061.4	1.3
wheat	618.8	623.7	620.0	-0.6
coarse grains	983.7	994.9	1 019.5	2.5
rice	413.4	417.1	421.9	1.2
Per caput cereal food use (kg per year)	151.9	152.8	152.9	0.0
TRADE³	245.3	244.6	244.0	-0.3
wheat	110.8	110.3	111.0	0.6
coarse grains	104.8	105.6	105.0	-0.7
rice	29.8	28.7	28.1	-2.1
END OF SEASON STOCKS⁴	467.4	468.4	421.7	-10.0
wheat	175.4	174.4	152.8	-12.4
- main exporters ⁵	55.0	58.0	38.4	-33.8
coarse grains	193.3	190.0	162.6	-14.4
- main exporters ⁵	93.9	90.9	65.6	-27.8
rice	98.7	103.9	106.2	2.2
- main exporters ⁵	18.9	22.0	24.1	9.4

Low-Income Food-Deficit Countries⁵

Cereal production¹	811.6	855.2	873.0	2.1
<i>excluding China and India</i>	266.7	288.3	295.1	2.4
Utilization	899.8	1 082.3	1 104.1	2.0
Food use	639.2	653.0	661.3	1.3
<i>excluding China and India</i>	259.4	268.9	274.7	2.1
Per caput cereal food use (kg per year)	156.6	157.7	157.5	-0.2
<i>excluding China and India</i>	154.5	157.1	157.4	0.2
Feed	161.6	163.2	165.8	1.6
<i>excluding China and India</i>	42.1	45.1	45.4	0.8
End of season stocks⁴	227.1	231.1	238.7	3.3
<i>excluding China and India</i>	48.4	53.5	53.2	-0.6

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

² Production plus opening stocks.

³ 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.

⁴ May not equal the difference between supply and utilization because of differences in individual country marketing years.

⁵ For definition see notes on back cover.

Lower production and higher utilization leading to smaller ending stocks

Based on the latest estimates, world cereal utilization in 2006/07 is likely to reach a record 2 061 million tonnes, up 1.3 percent from the previous season's peak. This expansion is associated not only with a modest rise in food consumption, generally in line with population growth, but a strong growth in industrial use, driven mainly by higher usage of maize for producing ethanol, and a recovery in animal feed usage. In view of this year's cut in world cereal production, the forecast increase in total cereal utilization can only materialize if stocks are drawn down which is what is expected to occur. FAO forecasts world cereal stocks by the close of seasons ending in 2007 to reach 422 million tonnes, indicating a drop of 47 million tonnes, or nearly 10 percent, compared to their opening level at the start of the current season. Except for rice stocks, which are likely to increase, wheat and coarse grains stocks are both expected to end the season well below their opening levels. The anticipated declines in wheat and coarse grains stocks are expected to occur mostly in the EU and

the United States as a result of the decline in their production together with strong domestic demand and exports. On the other hand, and as an emerging feature this season, ending stocks in China are heading for the first significant increase in 7 years facilitated by higher production this year.

Global cereal trade nearly unchanged in 2006/07

Global cereal trade in 2006/07 is forecast at 244 million tonnes, virtually unchanged from that in the previous season and marginally below the 2004/05 peak. A small increase anticipated in international wheat trade is likely to be offset by reduced shipments of coarse grains and rice.

World trade in wheat is currently forecast at 111 million tonnes for 2006/07 (July/June), up 700 000 tonnes (less than 1 percent) from the previous season. Imports by several leading wheat importing countries are forecast to remain unchanged or decline in 2006/07, reflecting a generally favourable domestic supply situation. However, in a few cases, foreign wheat purchases are expected to rise sharply. In India, because of the shortfall in this year's government held stocks and rising prices, imports are forecast to reach a 30-year high of at least 6 million tonnes. The State Trading Corporation of India has already purchased about 5.5 million tonnes from abroad while the Government has also removed all import duties until the end of this year in order to encourage imports by private traders. Also in Brazil, given the current prospects for much lower wheat production, imports are forecast to increase to 7.5 million tonnes, up 2 million tonnes from 2005/06 and the highest in six years. Regarding wheat export supplies this season, higher sales from major exporters are seen to compensate for the anticipated supply contraction in Ukraine and the Russian Federation.

Global trade in coarse grains in 2006/07 (July/June) is currently forecast at 105 million tonnes, down slightly

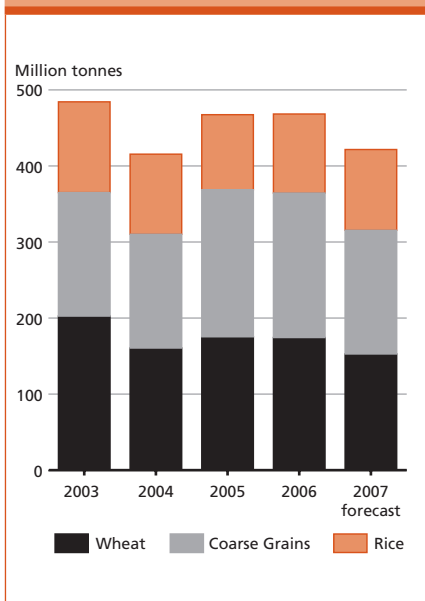
(600 000 tonnes) from the previous season. Most of the anticipated decline is driven by slight reductions in barley and sorghum. However, in spite of its high prices and a possible slow-down in total feed usage, world trade in maize is expected to enjoy another strong year, approaching 80 million tonnes; or slightly above the previous season's record. Canada, Egypt and Kenya are forecast to import more maize this season in view of their reduced domestic production. In contrast, good crops in most countries in Asia and southern Africa are expected to limit imports there, while prospects for improved supply conditions may even lead to higher exportable availabilities. In China, given the prospect for a record maize crop, exports are likely to remain large in spite of strong domestic demand. Among major exporters, shipments from the EU and the United States are forecast to increase, largely offsetting declines from Canada and Argentina. However, large exports from the United States will result in a sharp reduction in its ending stocks in view of the anticipated decline in country's domestic production and a continuing strong growth in domestic demand for industrial use.

The first FAO forecast of rice trade in calendar 2007 points to small decline to 28.1 million tonnes, reflecting a weakening of import demand in Asia, where several countries just gathered larger paddy crops. In the other regions, imports are expected to change little. As for rice exports, large supplies should enable Thailand and Cambodia to sell more next year, while shipments from China, India, Pakistan and Viet Nam may fall somewhat. Exports from the United States and Australia are also likely to shrink reflecting supply constraints.

Lower export supplies raise international prices

Prospects for smaller production and lower ending stocks continue to provide support to cereal markets, lifting both

Figure 3. World cereal stocks



old and new-crop values. Following a short-lived downtrend in international wheat prices in early August, export prices resumed their upward movement, mostly in response to the stronger pace in export sales, tighter supplies from the Black Sea, a further reduction of the EU's estimated 2006 cereal output and unfavourable crop prospects in Australia and Argentina. In September, the United States hard wheat export prices averaged US\$208 per tonne, up by about US\$40, or 24 percent, from the same period last year. In the futures markets, the new crop prices have also risen sharply this season, supported by strong demand and anticipation of lower production in the southern hemisphere. The soft red winter wheat futures for delivery in December at the Chicago Board of Trade (CBOT), the leading wheat futures exchange, averaged US\$147 per tonne in September, up US\$29 from the corresponding period last year. Wheat prices also benefited from spillover gains in maize and soybeans futures as well as large speculative acquisitions by hedge funds. Coarse grains prices have also risen sharply in recent months in view of a much tighter supply and demand balance. For maize, the largest traded coarse grain, stronger export prices reflect the growing demand for feed and industrial use. Reduced old-crop supplies in the southern hemisphere coupled with prospects for a smaller harvest this year in the

Table 3. Cereal export prices* (US dollars)

	2006					2005
	Sept.	Aug.	July	June	May	Sept.
United States						
Wheat ¹	208	201	213	203	201	167
Maize ²	119	113	114	109	111	97
Sorghum ²	128	121	129	118	123	98
Argentina ³						
Wheat	167	160	159	156	146	136
Maize	114	111	114	107	112	97
Thailand ⁴						
Rice white ⁵	316	318	321	318	316	290
Rice, broken ⁶	223	220	216	213	215	213

*Prices refer to the monthly average.

1 No.2 Hard 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.

United States, the world's leading maize producer and exporter, have also been fuelling price increases in world markets. In September, the United States yellow maize export price averaged US\$117 per tonne, up US\$20 from a year ago. Old-crop Argentine prices also rose to US\$113 per tonne in September, up US\$4 from the previous year. The maize futures market in Chicago has experienced a similar upward trend, driven by strong demand and lower production prospects in the United States. In September, December maize contracts averaged US\$93 per tonne, up US\$13 from the corresponding period last year. International rice prices have also

been increasing. The strength that has dominated the international rice market since January persisted from July through September, as reflected in the FAO All Rice Price Index, which gained a point a month, passing from 108 in June to 111 in September. Much of the continued firmness reflects limited supplies in the leading exporting countries and the deterioration of crop prospects in China and the United States. In addition, the market gained further strength from the announcement, in August, that Indonesia will lift the import ban and purchase some 200 000 tonnes over the last quarter of the year.

Low-Income Food-Deficit Countries' food situation overview

Another increase in Low-Income-Food-Deficit Countries' cereal production in 2006

In the group of 82 Low-Income-Food Deficit Countries (LIFDCs), the main 2006

cereal crops have already been gathered in several areas, including Northern Africa, Southern Africa, CIS Asia and Latin America and the Caribbean, while the seasons are well advanced in Western Africa, Eastern

Africa and Asia. FAO's latest forecast for the LIFDC's 2006 cereal production, based on the condition of cereal crops already in the ground by mid-September, stands at about 873 million tonnes, 2.1 percent above the good level of the previous year. This would be the third consecutive year of increase in the cereal output of LIFDCs, although at a slower growth rate than in 2005. Excluding the largest producers China and India, the aggregate production of the rest of the LIFDCs expands at a somewhat higher rate of 2.4 percent. Bumper cereal

crops were obtained in countries of Northern and Southern Africa, where the outputs recovered from the reduced levels of last year. In Western and Eastern Africa, overall prospects for the harvests improved substantially following widespread abundant rains in August and productions are now forecast around the very good levels of 2005. In Asia, harvesting of the main rice and maize crops are underway and the aggregate cereal production is forecast higher than in 2005 and above average. Large increases are expected from China and India, despite localized droughts. In LIFDC's of Latin America and the Caribbean, latest forecast points to improved cereal productions, with the exception of Honduras which was affected by a prolonged dry spell during the main crop season.

Cereal import requirements in 2006/07 to remain at level of 2005/06

Following the improved production prospects for the 2006 cereal crops, import requirements of the LIFDCs as a group, in marketing seasons 2006/07 are estimated at about 88 million tonnes, a level quite similar to the previous season. More than half of this requirement is in countries of Asia, in particular China, India, Indonesia and the Philippines. In India, cereal imports are expected to reach some 6 million tonnes, compared with only 500 000 tonnes last year, as the country needs to replenish stocks. In Africa, cereal import requirements are forecast to decline by about 10 percent reflecting anticipated good harvest in all subregions. Early estimates of food aid

needs in Africa also point to a decline of 12 percent from last year's level.

Substantial improvement in 2005/06 food aid allocations in Africa

Food aid distributions/pledges in countries of Eastern, Western and Central Africa, still in marketing year 2005/06, have increased considerably since the last report. Estimates based on information available as of August 2006 indicate that the food aid requirements in these subregions have been covered by 84 percent, 70 percent and 60 percent respectively. Actual food aid allocations in 2005/06 are likely to increase once full information on deliveries until 31 December 2006 becomes available.

Table 4. Cereal import position of the Low-Income Food-Deficit Countries (000 tonnes)¹

	2004/05	2005/06				2006/07	
	Actual imports	Requirements ²		Import position ³		Requirements	
		Total imports	of which food aid	Total imports	of which food aid pledges or deliveries	Total imports	of which food aid
Africa (44)	40 698	39 943	2 809	31 038	2 306	36 063	2 485
North Africa	16 790	16 843	5	16 843	5	14 420	5
Eastern Africa	6 685	5 925	1 715	4 443	1 433	5 378	1 378
Southern Africa	3 403	4 132	380	4 132	380	2 949	540
Western Africa	12 218	11 288	630	4 987	441	11 723	496
Central Africa	1 602	1 556	78	633	47	1 594	67
Asia (25)	49 677	43 009	1 351	40 593	942	47 051	1 944
CIS in Asia	3 100	2 755	66	2 755	66	2 643	270
Far East	35 209	28 806	1 196	27 696	792	33 013	1 449
Near East	11 368	11 448	89	10 142	84	11 395	225
Central America (3)	1 677	1 789	219	1 789	219	1 730	166
South America (1)	944	1 011	17	1 011	17	931	25
Oceania (6)	407	416	0	79	0	416	0
Europe (3)	1 601	1 636	1	1 636	1	1 705	60
Total (82)	95 004	87 603	4 397	76 145	3 485	87 896	4 681

¹ For more details see Table A2 in the Statistical appendix.

² For definition of **import requirements** see terminology on back cover.

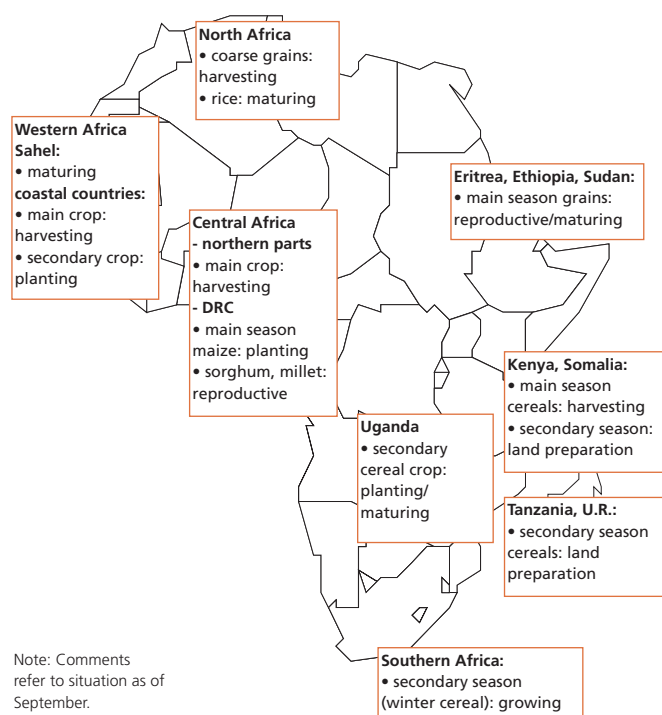
³ Estimates based on information available as of August 2006.

Regional reviews

Africa

North Africa

Harvesting of the 2006 winter crops has been completed, coarse grains (maize and sorghum) are presently being harvested in Egypt and harvesting of paddy is about to start. Aggregate wheat output for the subregion is provisionally estimated at 18.6 million tonnes, a significant recovery from the drought-reduced crop in 2005. Wheat output in **Egypt**, the largest producer in the subregion, is provisionally estimated at 8.3 million tonnes, well up from the five-year average of 7 million tonnes. The improvement is due to the combination of a modest increase in wheat plantings in 2006 with respect to 2005 and the normal to abundant rains that have benefited the crops throughout the season. In **Morocco**, the wheat crop doubled from last year's poor level while barley output more than doubled to 2.5 million tonnes. In **Algeria**, wheat production is tentatively estimated at 2.7 million tonnes, compared to the above-average crop of 2.3 million tonnes harvested in 2005. By contrast, in **Tunisia**, a 50-day dry spell from early March



through late April resulted in crop failure in many parts of the country, and the wheat and barley crops are estimated at a below-average 1.2 million tonnes and 395 000 tonnes, respectively.

Table 5. Africa cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast
Africa	22.4	21.0	24.6	82.1	94.9	92.1	19.4	20.8	21.5	123.9	136.7	138.3
North Africa	17.2	15.4	18.7	12.9	11.7	12.7	6.4	6.2	6.2	36.5	33.2	37.6
Egypt	7.2	8.2	8.3	7.8	8.7	8.1	6.4	6.1	6.2	21.3	23.0	22.7
Morocco	5.5	3.0	6.3	3.0	1.3	2.7	-	-	-	8.6	4.3	9.0
Western Africa	0.1	0.1	0.1	28.0	36.9	36.3	8.1	9.1	9.8	36.1	46.1	46.2
Nigeria	0.1	0.1	0.1	13.7	19.6	19.5	3.5	4.2	4.8	17.3	23.9	24.4
Central Africa	-	-	-	2.9	3.0	3.1	0.4	0.4	0.4	3.3	3.5	3.5
Eastern Africa	3.2	3.3	3.4	20.7	25.0	24.2	1.2	1.4	1.3	25.1	29.7	28.9
Ethiopia	2.2	2.4	2.5	7.9	9.3	9.3	-	-	-	10.0	11.7	11.7
Sudan	0.4	0.4	0.4	3.1	5.0	4.3	-	-	-	3.5	5.5	4.8
Southern Africa	1.9	2.2	2.4	17.7	18.4	15.8	3.3	3.6	3.8	22.9	24.2	22.1
Madagascar	-	-	-	0.4	0.4	0.3	3.0	3.4	3.5	3.4	3.8	3.8
South Africa	1.7	1.9	2.2	10.3	12.3	7.0	-	-	-	12.0	14.2	9.2
Zimbabwe	0.1	0.1	0.1	1.1	0.7	1.4	-	-	-	1.2	0.8	1.5

Note: Totals computed from unrounded data.

Western Africa

In the Sahel region, following below-normal rains in June/early-July in several parts, precipitation improved significantly in August over the main producing areas, increasing soil water reserves and providing relief to stressed crops, thus improving production prospects in most countries. However, in the areas affected by earlier dry conditions, some yield potential was already irrevocably lost and late plantings or replanted crops will still need more rains late in the season to cover their entire growing cycle and ensure a reasonable crop. In some areas where rains were particularly heavy severe flooding was reported, causing considerable human casualties and damage to crops, notably in Burkina Faso and Niger. From west to east, crop conditions are satisfactory in **Cape Verde** and **Senegal** following widespread rains in August. In **The Gambia**, according to remote sensing rainfall estimates, crop prospects appear to be mixed. Adequate rainfall favoured desalination and transplanting of swamp rice in **Guinea-Bissau**. In **Mauritania**, increased rains in August benefited crops in the south-west, but more good rains are needed in the south-centre and south-east. In **Mali, Burkina Faso, Niger and Chad**, crop conditions improved significantly after the scant rains of June. Satellite imagery for early September indicates that good rains continued to fall over most of the Sahel region.

In the coastal countries of the Gulf of Guinea, rains have been regular and widespread since the beginning of the major season in April in the south, where harvesting of the first maize crop is underway. In the north, millet and sorghum crops are developing satisfactorily and harvest prospects are good, provided favourable weather conditions persist. However, migratory pests have reportedly destroyed about 50 000 tonnes of crops in central **Nigeria** in mid-September.

Central Africa

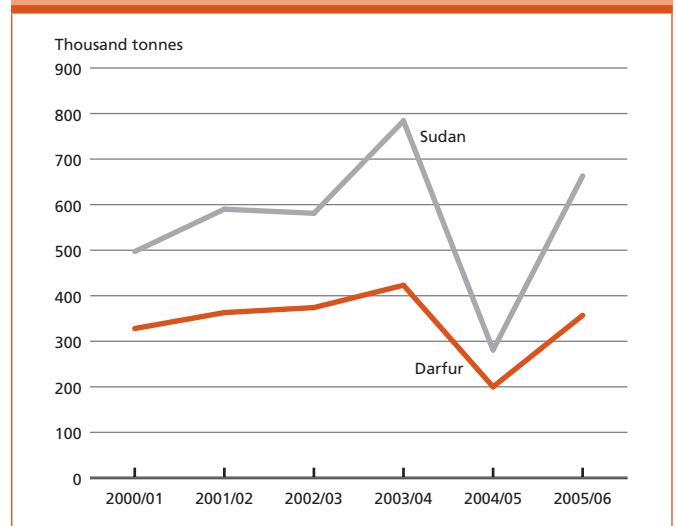
In **Cameroon** and the **Central African Republic**, where rains have been abundant and widespread since the beginning of the cropping season in April, harvesting of the first 2006 maize crop is underway. In the latter country, however, agricultural recovery and food security continue to be hampered by persistent insecurity and inadequate availability of agricultural inputs, notably in northern parts.

Eastern Africa

Harvesting of the 2006 main season cereal crops has almost been concluded in southern parts of the subregion. In northern parts crops are at varying stages of development and abundant rains in July and August generally improved prospects. However, severe floods in some areas have resulted in loss of life and caused damage to crops and property. Over the last three years, successive poor rains in most pastoral areas of the subregion have severely affected pastures and livestock, resulting in acute

food shortages and the migration of thousands of people in search of water and food. Past or ongoing civil conflicts have also seriously disrupted food production and distribution in some areas. In **Eritrea**, following below-average rainfall in June and July, which raised some concern, the August rains were above normal allowing crops to recover somewhat before the harvest due to start in October. In the mechanized areas of Gash Barka the condition of crops is slowly recovering back to normal, while in the traditional agriculture areas, crop condition is generally similar to last year and in some areas above-average. In August, the Normalized Difference Vegetation Index (NDVI) indicated profiles that were better (greener) than last year and similar to the average of the past seven years. The August rains were also beneficial for grazing conditions in the pastoral areas of Habero, Nakfa and Asmat, which were reported to be better than the average, but still slightly below last year's condition. In **Ethiopia**, prospects for the 2006 main "meher" season cereal crop, to be harvested from late October, are favourable. Abundant rains since June benefited developing crops in major producing regions. However, although good for the crops, the rains have resulted in some of the worst flooding on record throughout the country, causing hundreds of deaths, displacement, and widespread loss of property, crops and livestock. In addition, outbreaks of water borne diseases including diarrhea have increased and present a significant risk. While the full impact of the flooding is still being assessed, urgent food and non-food assistance is needed for about 200 000 affected people. More flooding is expected in the southeastern and northwestern parts of the country in the coming weeks. The output of the 2006 "belg" season crop, harvested earlier in the year, was good. The belg crop accounts for some 7 to 10 percent of the aggregate cereal production of the country,

Figure 4. Sudan: Production of millet in Darfur compared with total for Sudan



but it is important in several areas, where it provides the bulk of the annual food supplies. By contrast, in the pastoral areas of south-eastern Ethiopia, rainfall was inadequate meaning that recovery of the food security situation in sites of last year's severe food shortages will be delayed. FAO and WFP will jointly field a mission to the country in November 2006 to assess the outcome of this year's harvest and the food supply outlook for 2007. In **Sudan**, harvesting of current season crops is expected to start in the next few weeks. The continued crisis in Darfur, remains the most pressing humanitarian problem. The humanitarian community fears hundreds of thousands of people could be displaced again should Darfur face an upsurge in conflict. A realistic scenario could see as many as 350 000 people displaced, loss of basic services such as clean water and healthcare, and an increased dependence on helicopters and planes to deliver aid as road travel becomes too dangerous. Food security prospects in Darfur are doubly worrying as the deteriorating security situation may disrupt the harvesting of current crops, about to start in the coming few weeks. Table 6 below indicates production of millet and sorghum in the three states of Darfur while Figure 4 shows millet production in Darfur compared with that of Sudan as a whole.

It is clear from the above that the bulk of the staple millet crop in Sudan is produced in Darfur and any disruption to the harvesting will have a significant negative impact. In southern Sudan, conflict arising from this year's disarmament process and

the ongoing cattle raiding in Jonglei continues to exacerbate food insecurity. Fighting disrupted wild food collection, fishing and traditional livestock/grain exchange mechanisms during the dry season (January to April), forcing households and cattle to return from dry season grazing areas earlier than normal. An interagency assessment led by the UN conducted in June found that food shortages have increased due to conflict. Local defence and security forces lost their food to looting, and this overburdened the community as they had to feed the forces at a time when food is most scarce. In addition, insufficient access to seeds and tools, reportedly caused by the conflict, affected the ability of households to take full advantage of this year's cropping season, despite an earlier than normal season onset and improved rains when compared to last year. The assessment also reported that heavy rains have affected maize and sorghum crops in some areas. Elsewhere in Sudan, extensive floods in parts have displaced tens of thousands of people, and destroyed crops and property. Although a respite is now reported, heavy rains in the Blue Nile catchment areas in the Ethiopian highlands caused an overflow of the Nile river, surpassing those of earlier years, and submerged many villages and settlements. An FAO/WFP Crop and Food Supply Assessment Mission is visiting southern Sudan in October and is planned to visit northern Sudan in November to assess the main season production and estimate food assistance requirements, if any, in 2007. In **Kenya**, harvesting of the 2006 long-rains season maize is complete in parts and will continue

Table 6. Sudan: Coarse grain production in Darfur 1996-2002 (Average), 2003, 2004, 2005 (Area in 000 feddans and production in 000 tonnes)

	Sorghum				Millet			
	Planted Area	Harvested Area	Yield kg/feddan*	Production	Planted Area	Harvested Area	Yield kg/feddan*	Production
North Darfur								
1996-2002	89	67	104	7	1 910	1 070	92	98
2003	89	50	120	6	2 230	1 050	79	83
2004	53	21	100	2	1 440	517	63	33
2005	89	65	112	7	1 406	610	89	54
South Darfur								
1996-2002	647	419	255	107	1 986	1 297	118	153
2003	1 476	872	214	187	2 675	1 634	214	350
2004	730	423	180	76	1 537	922	150	138
2005	na	620	270	167	na	1 300	190	247
West Darfur								
1996-2002	89	67	104	7	548	362	287	104
2003	89	50	120	6	572	257	200	51
2004	53	21	100	2	229	172	170	29
2005	na	127 ¹	350	44	na	180	300	54

* One feddan is equivalent 0.42 ha.

¹ Indicates a switch from millet to sorghum due to seed provision and good early rainfall. Total harvested area was only 4 percent

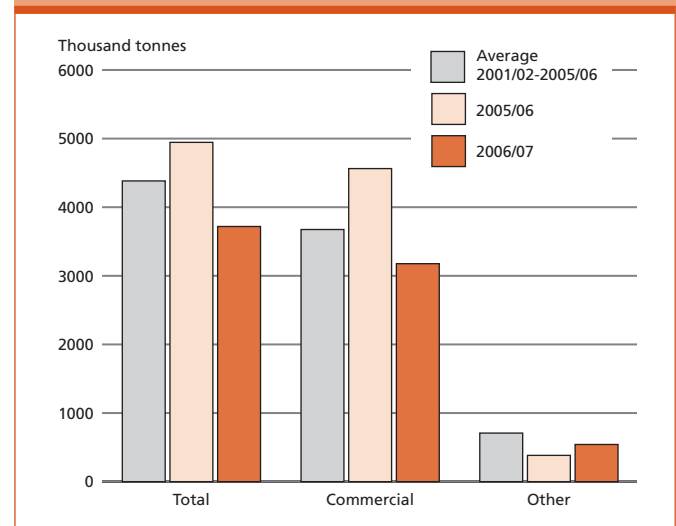
for the next few weeks in others. The long-rains cropping season normally accounts for 80 percent of total annual food production. The revised official forecasts indicate a long-rains season maize output of 2.52 million tonnes, about 15 percent above average. Over 50 percent of maize crop has already been harvested, from different parts of the country. The maize crop, for harvest from October, in the Rift Valley, Western and Nyanza Provinces is reported to be good condition. The 2006 long-rains season and the emergency operation have provided considerable relief to pastoralists avoiding a major catastrophe. Improvements in child malnutrition rates are being reported in pastoral and marginal agricultural areas of the country. The number of emergency food aid beneficiaries has been reduced from 3.1 to 2.4 million. However, sustained improvement will require a normal to above-normal short-rains season between October and December. Considerable livestock losses experienced between December and March, coupled with a shortened long-rains season in parts, means that pastoral lives and livelihoods remain vulnerable to a further shock. An upsurge in disease has also compounded poor nutrition, reducing effectiveness of interventions in some areas. Meanwhile, an increase in the incidence of conflict in the pastoral Turkana, Marsabit and Samburu districts is disrupting normal seasonal migrations. In **Somalia**, the 2006 main gu season cereal crop, harvested in August/September, is estimated at about 113 000 tonnes, 29 percent below the five-year average. The decline is due to the poor rainfall in the main producing areas. The gu cereal crop normally accounts for some 70 to 80 percent of annual production. The overall food security situation in Somalia continues to be alarming. The gu assessment confirmed that a severe food crisis will persist throughout the country for the rest of 2006, affecting at least 1.8 million people. The situation is further aggravated by the intermittent hostilities and insecurity. Cereal prices peaked in May – June 2006 in response to low cereal supplies following the poor crop performance in the previous crop seasons. Recent heavy rains in the Ethiopian highlands during the month of August caused localized flooding around Jowhar that affected an estimated 30 000 people and 14 000 hectares of farmland. Additional flooding was recorded elsewhere in the Upper and Lower Shabelle and Upper and Lower Juba regions. The expected onset of deyr (secondary season) rains and the high level of rain continuing in catchment areas indicate a potential for further flooding in the Middle and Lower Shabelle Regions. Worryingly also, the rate of Global Acute Malnutrition (GAM) remains high at over 20 percent. Despite the serious nature of the humanitarian situation in Somalia, only half of the US\$326 million requested in the current Consolidated Appeal for Somalia have been committed so far. Any further escalation of conflict in the current standoff could trigger a significant and rapid deterioration in food security. Further information and analysis can be accessed from the Food Security Assessment Unit (FSAU)

at: www.fsasomali.org. In **Tanzania** and **Uganda**, the overall food supply situation is adequate following recent good harvests and improved pastures. However, food difficulties remain in parts, due to localized drought conditions and/or insecurity. In Uganda, in the north, the on-going peace process and improved security conditions have encouraged resettlement and improved household access to land, but the poor performance of the rains has limited extensive planting and cultivation. In the Great Lakes, the Joint FAO/WFP/Government assessments in **Burundi** and **Rwanda**, the 2006B total food production in cereal equivalent is estimated to be slightly better than in the 2005B season. However, following the dry weather of the 2006A season, the aggregate outputs of the two seasons combined, are estimated to be lower than in 2005 in both countries, by 1 percent in Burundi but 14 percent in Rwanda. Some of the decline has been offset by a bumper crop of beans during this year. Total cereal import requirements, including food aid for 2006 are projected to increase in both countries. Maize prices in the capital markets recently were found to be about 6 percent higher in Rwanda and 11 percent higher in Burundi compared to the corresponding prices a year ago.

Southern Africa

In Southern Africa, the final estimate of the aggregate 2006 maize harvest stands at 14.38 million tonnes, about 16 percent down from the output in 2005. Excluding South Africa, however, the subregion's 2006 maize and total cereal harvests, estimated at 7.78 million tonnes and 12.89 million tonnes, respectively, represent historical record levels and are a significant improvement over the past year, in the magnitude of 46 percent for maize and

Figure 5. Southern Africa (excluding South Africa) cereal imports: average, 2005/06 estimate and forecast requirements for 2006/07



28 percent for total cereals. The total for all cereals includes an early forecast for the winter crops (mainly wheat) which amounts to about 12 percent of the total. Apart from the generally favourable weather conditions during the growing season, subsidized fertilizer distributions in some countries (for example in Malawi and Zambia) were also an important contributing factor to this outcome. The final official estimate in **South Africa**, puts the 2006 maize production at 6.6 million tonnes, sharply down from near record harvest of 11.72 million tonnes last year. The decline in production caused by a sharp drop in the area planted is the result of low prices at planting time coupled with high carryover stocks of maize (estimated at 4 million tonnes as of 30 April 2006). Thus, despite good crops elsewhere, the subregion's aggregate 2006 coarse grain output is estimated by FAO at 15.8 million tonnes, about 14 percent down from 2005.

While in most other countries in the subregion bumper harvests were gathered, in **Angola**, total cereal output, estimated at 749 000 tonnes, decreased by 16 percent due to erratic rains and long dry spells that particularly affected the central and south-western provinces. In **Madagascar**, maize production in the south was also reduced this year compared to 2005 due to dry weather. However, the output of paddy rice, by far the most important crop on the island, increased from the above-average level of 2005. In **Lesotho** and **Swaziland** the total cereal harvest remained below the average of the past five years showing the overall structural decline in this sector. In **Zimbabwe**, total cereal output in 2006 is estimated at 1.5 million tonnes is 88 percent higher than the drought-affected and economically constrained output of the previous year. However, despite this significant recovery, cereal production remains well below requirements.

Reflecting this year's good crops in most countries, the aggregate cereal import requirement of the subregion for the

2006/07 marketing year (April/March in most cases) is now revised at 6.5 million tonnes, some 10 percent lower than in the previous year (See Figure 5). If South Africa is excluded, the reduction in the total cereal import requirements of the subregion is more pronounced, declining from the actual imports of 4.95 million tonnes in 2005/06 to an estimated requirement of 3.72 million tonnes in 2006/07. Food assistance needs in 2006/07 estimated at about 542 000 tonnes would be lower than the average annual food aid of the previous five years, calculated at about 708 000 tonnes.

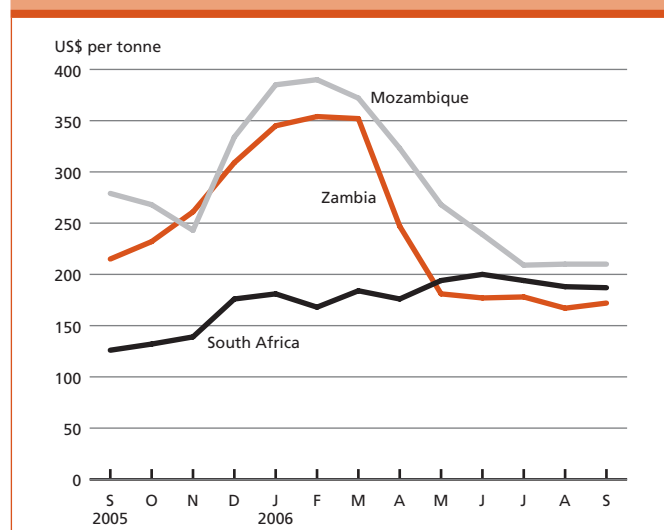
In the countries where production recovered, maize and other cereal prices have declined sharply since the beginning of the new harvest in April to normal post-harvest lows, resulting in an improvement in food security in general. As seen from Figure 6, maize prices in the capital city markets in **Zambia** and **Mozambique**, were about US\$354 and US\$390 per tonne, respectively, during the peak of the hunger season in February 2006, compared to the current levels of about US\$172 and US\$210. In **South Africa**, contrary to the usual post-harvest trend, the SAFEX price of white maize has been rising from a low of US\$126 per tonne in September 2005 to the current level of US\$187 per tonne, reflecting the huge levels of stocks

Table 7: Southern Africa - Import requirements for 2006/07 and estimated imports for 2001/02-2005/06 (000 tonnes)

	2006/07 f'cast	2005/06 estim.	2001/02- 2005/06 average	2006/07 over 2005/06 (%)	2006/07 over 5-yr avg (%)
Southern Africa	6 482	7 223	6 705	90	97
Southern Africa excl. South Africa	3 719	4 945	4 383	75	85
Increase from 2005/06					
South Africa	2 763	2 278	2 322	121	119
Angola	847	701	738	121	119
No significant change from 2005/06					
Swaziland	127	122	114	104	112
Namibia	164	158	167	104	98
Lesotho	209	209	194	100	108
Mauritius	315	320	304	98	104
Decrease from 2005/06					
Botswana	291	335	278	87	105
Madagascar	270	316	322	85	84
Mozambique	809	990	796	82	102
Zambia	105	240	265	44	40
Zimbabwe	457	1 210	899	38	51
Malawi	125	344	306	36	41

Source: FAO/GIEWS

Figure 6. White maize wholesale prices



earlier and the sharp reduction in production later in this period. However, the still comfortable level of carryover stocks and the improved harvests in the other countries of the subregion are likely to limit further increases in prices. Changes in the maize prices in local currencies in South Africa and Zambia, on the other hand, have been a little more pronounced as compared to the changes in US\$ prices. For example, between September 2005 and September 2006, a rise in the Rand price in South Africa and a drop in Kwacha price in Zambia were more a result of the weakened Rand and strengthened Kwacha against the US\$, respectively. The Mozambique Metical, however, with the exception of a temporary devaluation in November 2005, has been fairly stable against US\$ during this 12 month period.

Overall, prospects for the regional food supply for the current marketing year look favourable. In **South Africa**, the subregion's major exporter, supplies of white maize (for human consumption) are estimated at 6.3 million tonnes which, compared with a domestic utilization of 4.3 million tonnes, leaves a surplus of 2 million tonnes. Assuming the level of the strategic reserves at about 600 000 tonnes, the potential exportable surplus of white maize from South Africa is likely to be about 1.4 million tonnes, just enough to cover the needs of the other maize deficit countries in the subregion estimated at about 1.3 million tonnes. In addition, some sizeable exportable quantities are estimated from **Malawi** (200 000 to 350 000 tonnes), **Zambia** (180 000 to 280 000 tonnes) and **Mozambique** (150 000 to 250 000 tonnes) after accounting for a build-up of stocks in each of these three countries to a level of about 100 000 tonnes.

AFRICA: Countries in crisis requiring external assistance and main reasons (26)

Exceptional shortfall in aggregate food production/supplies

Eritrea	Drought, IDPs, returnees, high food prices
Lesotho	Multiple year droughts, HIV/AIDS impact
Somalia	Drought, civil strife
Swaziland	Multiple year droughts, HIV/AIDS impact
Zimbabwe	Deepening Economic Crisis

Widespread lack of access

Ethiopia	Low incomes, drought in south-eastern parts, localized floods
Liberia	Post-conflict recovery period, IDPs
Mauritania	After effects of 2004 drought and locusts
Niger	After effects of 2004 drought and locusts
Sierra Leone	Post-conflict recovery period, refugees

Severe localized food insecurity

Angola	Resettlement of returnees, adverse weather in parts
Burkina Faso	After effects of 2004 drought and locusts
Burundi	Civil strife, IDPs, returnees and recent dry spells
Chad	Refugees, insecurity
Central Afr. Rep.	Recent civil strife, insecurity
Congo, Dem. Rep.	Civil strife, IDPs and refugees
Congo Rep. of	IDPs, refugees
Côte d'Ivoire	Civil strife, IDPs
Guinea	IDPs, refugees, high food prices
Guinea-Bissau	After effects of floods, localized insecurity
Kenya	Drought in parts
Madagascar	Drought in southern areas
Mali	After effects of 2004 drought and locusts
Sudan	Civil strife, returnees, drought in parts
Tanzania, U.R.	Drought in parts
Uganda	Civil strife, IDPs

Note: For explanation of terminology see back cover.

Asia

Far East

Harvesting of the main rice and maize crops, which make up the bulk of the subregion's cereal crops, is underway in most countries. Following above-average precipitation throughout the season across most of the subregion, FAO forecasts the 2006 aggregate output of rice at 570.2 million tonnes, about 1 percent up from the good crop in previous year and 6 percent above the five-year average. A bigger crop expected in India, for the second successive year, accounts for most of the increase. The 2006 production of maize in this subregion is forecast at 192.1 million tonnes, 2 percent up from the previous year's record harvest and 14.5 percent above the five-year average. The 2006 wheat output in the subregion, gathered earlier in the year, is estimated at a

record level of 197.9 million tonnes. For both maize and wheat, the growth is expected largely in China.

In **China (Mainland)**, the main rice crop is presently being harvested, while harvesting of the late crop will take place in October-November. The forecast for 2006 aggregate paddy production has been revised downward to 181.5 million tonnes from the previous estimate of 185 million tonnes to reflect the impact of serious drought in Sichuan, Chongqing and Heilongjiang. But this production is still close to last year's high level. Harvesting of maize in southern areas was completed in August, but is still ongoing in northern China. Latest information points to a record output of 142 million tonnes, 2.6 million tonnes up from last year and 17.8 million tonnes above the five-year average, as a result of increased area and higher yield. In 2006/07, China's cereal imports are expected to remain at the relatively low level of some 4 million tonnes, but cereal exports are forecast to decrease from some 7.5

million tonnes to 5.5 million tonnes. In **India**, the 2006 southwest monsoon has been close to the long-term average in terms of the cumulative rainfall amount, but with highly skewed distribution. Harvesting of the 2006 main Kharif rice, coarse grains, oilseeds and groundnuts crops has begun. The Kharif rice production this year is forecast at 76 million tonnes, some 2.7 percent higher than last year's good harvest. The aggregate output of the 2006 milled rice crop is forecast at some 93.3 million tonnes, some 2 million tonnes above the good level of the previous year. The 2006 wheat output is officially estimated at 69.48 million tonnes, 1.2 percent above the reduced crop of the previous year, but 0.5 percent below the five-year average. In order to replenish stocks, the 2006/07 wheat imports are expected to reach 6 million tonnes, resulting in the country changing its trade position from a large net exporter of wheat to a large net importer. Harvesting of the 2006 paddy and coarse grain crop in **Pakistan** is underway. Paddy production in 2006 is forecast to be less than last year's record, but higher than the average. Rice exports are forecast at 3.4 million tonnes in 2006 and 3.2 million tonnes in 2007. The main 2006 rice crop in **Thailand**, accounting for about 75 percent of annual rice production, is developing under favourable weather conditions since the beginning of the season. Harvesting of this crop will begin in November. The 2006 aggregate paddy output is provisionally forecast at 30.6 million tonnes, some 600 000 tonnes above the record achieved last year, reflecting the good weather and attractive intervention prices, which prompted an increase in plantings. The country maintains its status as the world's largest rice exporter. The 2006 rice exports are forecast at 7.3 million tonnes. Harvesting of the winter/spring paddy crop

ASIA: Countries in crisis requiring external assistance and main reasons (9)

Widespread lack of access

Afghanistan	Conflict, IDPs and returnees, localized drought
Iraq	Conflict and insecurity, IDPs
Korea, DPR	Economic constraints, floods
Mongolia	Multiple years of adverse weather
Nepal	Civil strife and drought
Timor-Leste	Civil strife

Severe localized food insecurity

Indonesia	After effects of the Tsunami and earthquakes
Pakistan	After effects of the Kashmir earthquake
Sri Lanka	After effects of the Tsunami, conflict

Note: For explanation of terminology see back cover.

was completed in July in **Vietnam**. The aggregate paddy output in 2006 is expected to be record at 36.7 million tonnes, reflecting increased plantings and higher yields. Vietnam, the world's second largest rice exporter after Thailand, exported around 5.2 million tonnes of rice in 2005 and a similar amount is expected in 2006. The 2006 maize crop is estimated at 3.8 million tonnes, similar to last year's record. With this production, the country is self-sufficient in maize.

Despite an overall satisfactory food supply situation in the subregion, food shortages and emergencies persist, at national or subnational levels due to natural disasters and civil unrest. In **DPR Korea**, harvesting of the 2006 main season crops of rice, maize, and potatoes is underway. Lower output than last year is

Table 8. Asia cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast
Asia	255.6	263.5	269.4	232.7	246.7	250.5	548.4	570.8	575.7	1 036.7	1 080.9	1 095.6
Far East	187.6	191.5	197.9	208.1	221.0	224.8	543.4	565.5	570.2	939.1	978.0	992.9
Bangladesh	1.3	1.1	1.1	0.3	0.5	0.5	37.7	40.3	41.0	39.3	41.9	42.6
China	92.0	97.4	103.0	140.4	150.4	153.0	180.5	182.1	181.5	412.9	429.9	437.4
India	72.2	68.6	69.5	33.6	34.6	34.7	124.7	136.6	140.0	230.4	239.8	244.2
Indonesia	-	-	-	11.2	12.5	12.5	54.1	54.2	54.8	65.3	66.7	67.2
Pakistan	19.5	21.6	21.7	3.3	3.8	3.8	7.5	8.3	8.1	30.3	33.7	33.6
Thailand	-	-	-	4.4	3.7	4.0	28.5	30.0	30.6	33.0	33.7	34.6
Viet Nam	-	-	-	3.4	3.8	3.8	36.2	35.8	36.7	39.6	39.5	40.5
Near East	46.2	48.2	47.7	19.9	21.4	20.9	4.3	4.6	4.8	70.4	74.1	73.4
Iran (Islamic Republic of)	14.0	14.5	14.5	4.4	4.4	5.2	3.1	3.3	3.4	21.5	22.2	23.1
Turkey	21.0	20.5	20.5	12.6	13.4	12.5	0.5	0.5	0.6	34.1	34.5	33.6
CIS in Asia	21.7	23.6	23.7	4.6	4.3	4.8	0.7	0.6	0.7	26.9	28.5	29.2
Kazakhstan	9.9	11.5	11.6	2.4	2.2	2.6	0.3	0.3	0.3	12.6	14.0	14.5

Note: Totals computed from unrounded data.

expected, as a result of severe floods that struck South Pyongan, North Hwanghae, Kangwon and South Hamgyong provinces in mid-July, which totally or partially destroyed 23 400 houses and left some 19 000 families homeless, and caused extensive damage to crops (mainly maize, paddy and soybeans). Total cereal import requirement in 2006/07 (Nov/Oct), including commercial import and food aid, is expected at more than 1 million tonnes.

The food security situation of many urban residents in **Timor-Leste** remains significantly affected by recent civil unrest. By the end of August, WFP had provided a 1 467 tonnes of food assistance to approximately 167 100 beneficiaries. In **Sri Lanka**, despite a good crop forecast this year, the deterioration of the political and security situation since late 2005 has significantly affected food security in some areas of the country, particularly districts in the northeast, which were also affected by the 2004 tsunami disaster. A WFP special operation amounting to 2.6 million dollars has just started in support of 600 000 beneficiaries. Harvesting of the 2006 wheat crop in **Mongolia**, virtually the only cereal produced in the country, is underway. The output is expected to recover from the poor drought-affected level last year to around 127 000 tonnes. This will cover only about 33 percent of domestic wheat utilization, leaving an estimated import requirement for 2006/07 of 256 000 tonnes. Drought and drought conditions in Mongolia in the past few years have substantially depleted household coping mechanisms and have resulted in an increase in poverty. A joint UN food security expert consultation and food security assessment mission will visit the country in October 2006. In **Nepal**, according to the Nepal Red Cross Society, more than 16 000 families in 26 districts have been affected by this year's seasonal floods and landslides. By mid-September, over 45 000 people had received relief assistance.

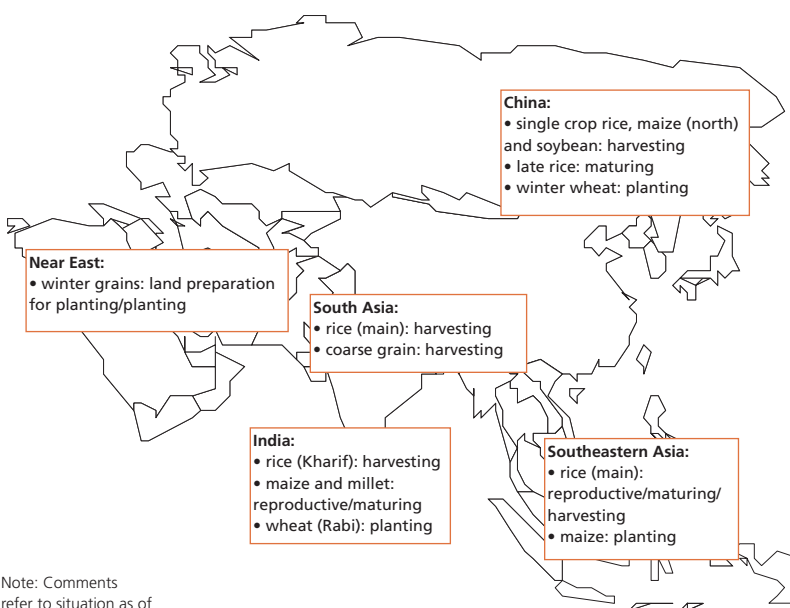
WFP plans to deliver some 1 300 tonnes of food to the affected population in the western regions. While the national cereal supply position is satisfactory in **Indonesia**, a large number of the poorest population, especially those affected by recent natural disasters, continue to be in need of international food assistance. In July, an earthquake and tsunami on the island of Java caused widespread damage to houses and displaced a large number of people, and earlier in the year, in May, an earthquake in Yogyakarta, left some 6 000 people dead and some 300 000 homes destroyed. Six weeks of torrential rain has affected more than 10 million people in the states of Rajasthan, Gujarat, Orissa, Andhra Pradesh and Jammu and Kashmir in **India**. Hundreds of houses, public buildings, bridges and schools have reportedly collapsed or been badly damaged. Some 50 000 families in the Sindh region of **Pakistan** have also been severely affected. In **China**, the worst drought in the last fifty years has reportedly affected more than 3 million hectares of crops in Sichuan and Chongqing. The economic losses are officially estimated at more than 10 billion yuan (1.25 billion US dollars) in Sichuan and over 6 billion yuan (0.75 billion US dollars) in Chongqing. Meanwhile, China also was hard-hit by a series of devastating typhoons and tropical storms, killing over 600 people and causing over 3 million people displaced.

Near East

Most countries in the **Near East** harvested average to above-average cereal crops this year reflecting favourable growing conditions. Jordan has registered increased production, continuing to recover output from the 2004 drought-affected poor crop. The food situation in the West Bank and Gaza Strip gives cause for serious concern due to shortages and market disruption, which are further aggravated by the current tense political situation. In **Afghanistan** reduced precipitation and drought conditions have almost entirely decimated rainfed cereals in northern and western parts of the country, while the associated impact on irrigation reserves has resulted in significantly reduced yields also of irrigated wheat. Severe food shortages and movement of people in search of food in some parts of the country have already been reported. The situation may further deteriorate with the onset of winter.

Asian CIS

Cereal harvesting is virtually complete in the region and the aggregate output is estimated at just over 29 million tonnes, more than half a million tonnes up on 2005. The improved harvest is mainly due to above-average precipitation in



Note: Comments refer to situation as of September.

the main producing parts of the subregion, especially snowfall during the winter, which amply replenished water reserves for the extensive irrigation systems. The aggregate harvest includes some 23.7 million tonnes of wheat and 4.8 million tonnes of coarse grains. Kazakhstan is the main producer in the region and accounts for about 50 percent of the total cereal output. Reflecting the good harvest, aggregate cereal exports from Kazakhstan during the 2006/07 marketing year are forecast to rise to about 4.7 million tonnes, some 769 000 tonnes up on 2005/06. Uzbekistan is also expected to export a significant

volume in 2006/07, estimated at about 500 000 tonnes. The country switched from being a net importer of cereals only a few years ago, and since then has maintained a significant level of exports, ranging from 200 000 to 500 000 tonnes annually in the marketing years since 2003/04.

However, while the 2006 output was satisfactory in the main producing parts of the subregion, other areas suffered localized crop losses due to dry spells during the season, notably in Armenia, which has led to a tight cereal supply situation (see box).

Food, feed and cereal seed supplies are tight in Armenia following drought conditions in spring/summer

Armenia suffered reduced precipitation in 2006 spring/summer causing significant losses of the rainfed spring cereal crops, mainly barley, but also reduction in yields of the winter irrigated cereal crops, mainly wheat. Rainfall practically ceased between May and June, when cereal crops were in the grain development stage.

Wheat, potatoes and fruit trees are the most important crops in Armenia. Spring cereals (barley and wheat) are mainly grown under rainfed conditions and output is normally around 100 000 tonnes or about 14 percent of the aggregate annual cereal harvest. Nearly 70 percent of the spring cereals is barley cultivated in the uplands for feeding livestock. Most households in the rural areas keep at least one cow for subsistence and limited livestock products are also sold. Pure pastoralists and intensive livestock farms, except very few Kurdish households in the uplands, do not exist in the country. However, the integrated crop-livestock system plays an important role in rural household food security, both through direct household nutrition supplement and as a source of income.

Latest Government reports indicate that on average about 60 percent of the spring cereals have been compromised following reduced precipitation this summer. Winter cereal output dropped by about 14 percent compared with the harvest in 2005. In aggregate, the Government estimates the 2006 cereal output at about 304 000 tonnes, nearly 74 000 tonnes, or 20 percent, down on the 2005 harvest. The Government also reports that crop damage varies greatly across regions. In some areas more than 90 percent of the crops have been compromised, while in others the damage is estimated at about 10 – 15 percent. The second most important crop, potatoes, has reportedly fared well along with vegetables, which are cultivated under irrigated systems.

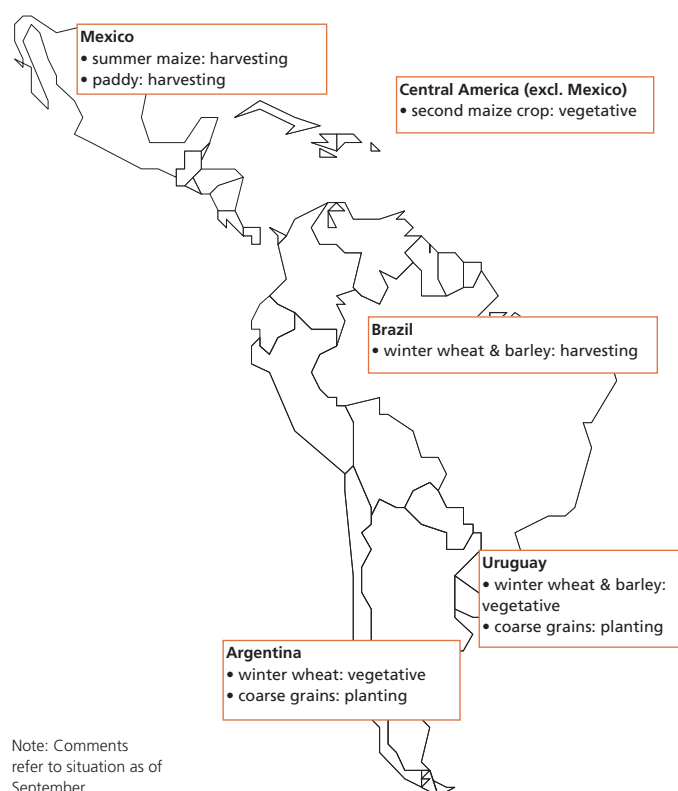
In addition to losses in the 2006 barley crop, grazing areas have also been affected by the reduced precipitation in spring/summer. These factors have significantly reduced feed supply for livestock, which has reportedly prompted many farmers to sell their animals. The Government has requested international food and feed assistance.

Latin America and the Caribbean

Central America and the Caribbean

Harvesting of the 2006 main season cereal crops is about to start in **Mexico** but is virtually complete in the other Central American countries, where planting of the second season crops just started. The 2006 aggregate cereal output of the subregion is forecast by FAO at 38.2 million tonnes, about 2.7 million tonnes above the previous year's level and 1.2 million tonnes below the average of the last five years. In Mexico, harvesting of the 2006 main rain-fed summer coarse grain crops, accounting for some 75 percent of the annual production, is expected to start from late October. Beneficial rains across the major producing southern and south central states of Jalisco, México and Chiapas have continued to provide adequate moisture and early official forecasts point to an above-average production. Maize and sorghum outputs are forecast at about 21.3 and 6.2 million tonnes respectively, with increases of 8 and 10 percent from the previous year's levels as a consequence of an expansion in the areas planted. Land is being prepared for planting of the 2006/07 winter wheat crop in the irrigated areas of north-western states of Sonora, Guanajuato, Baja California, where heavy rains at the beginning of September have positively increased the water level of main reservoirs.

The 2006 aggregate (first and second season crops) maize outputs throughout the subregion are provisionally forecast at above-average levels. This is essentially due to the positive effects on the main season yields of the abundant rains that have been reported in most parts since the beginning of August. The only country where 2006 maize production is expected to be below the level of the previous year is **Honduras** as a consequence of a prolonged drought period (the so-called *canicula*) that affected some parts of central departments in August. In the Caribbean, in **Haiti**, the **Dominican Republic**



and **Cuba**, the abundant rains due to the remote passage of some hurricanes have benefited yields of the main food and cash crops that were locally affected by recurring dry spells from March to May.

In **Guatemala** and **El Salvador**, food assistance from the international community continues to be delivered to vulnerable rural families and communities affected by hurricanes during the second half of 2005. Food aid is also distributed to vulnerable population in **Haiti**, **Nicaragua** and **Honduras**.

Table 9. Latin America and Caribbean cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast
Latin America & Caribbean	27.7	23.7	22.0	108.3	102.9	106.1	25.6	26.3	25.0	161.6	152.9	153.1
Central America & Caribbean	2.4	3.0	3.2	33.5	30.2	32.5	2.3	2.3	2.5	38.2	35.5	38.2
Mexico	2.4	3.0	3.2	29.7	26.2	28.5	0.3	0.3	0.3	32.4	29.5	31.9
South America	25.3	20.7	18.9	74.8	72.8	73.6	23.3	24.1	22.4	123.4	117.5	114.9
Argentina	16.0	12.6	13.3	18.7	24.5	18.1	1.1	1.0	1.2	35.7	38.0	32.6
Brazil	5.8	4.7	2.7	44.9	37.5	44.5	12.8	13.2	11.6	63.5	55.4	58.8
Colombia	-	-	-	1.6	1.7	1.5	2.7	2.5	2.3	4.4	4.2	3.8

Note: Totals computed from unrounded data.

Dry weather conditions are affecting agriculture and livestock sectors in Argentina

A prolonged drought is severely affecting the agriculture and livestock sectors in Argentina. Precipitation has been scarce since late July in north and north-western provinces (Santiago del Estero, Chaco, north Santa Fe, Salta and Catamarca) and since the beginning of August in south-east and south-west Buenos Aires, La Pampa and centre-south Córdoba provinces. Light rains in the second decade of September in most parts of the country were insufficient to reverse the drought situation.

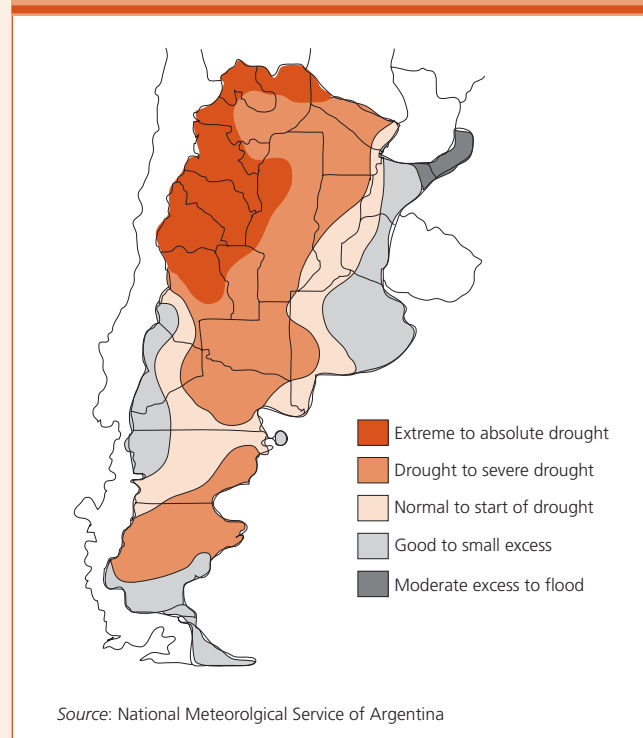
In the north-western provinces of Catamarca, San Juan and La Rioja it has been reported that about 40 000 head of cattle have been lost due to poor pasture conditions, while many others are being sold or moved into other provinces with better pasture availability in order to avoid further losses. In the main cereal growing central provinces, where planting of the 2006 wheat crop was still underway in August, the dry weather conditions have prevented farmers from achieving the planned acreage of 5.9 million hectares, in particular in the south-west of Buenos Aires province and in the centre-west of La Pampa province. The area planted to wheat is officially estimated at about 5.4 million hectares, only some 3 percent more than the record low of the previous year. By late September, about 30 percent of the wheat crop was suffering from water stress and high temperatures, while just over half is reported to be in good or very good condition. The crop is due to be harvested from November and if substantial rains are not received soon, yields are likely to be reduced in several areas, mainly in the provinces of Córdoba, Santa Fe, Entre Ríos, Santiago del Estero, Chaco and north-west Buenos Aires. Based on the current condition of crops, wheat output in 2006 is tentatively forecast to reach at best 13 million tonnes, similar to last year's reduced crop and well below the good 2004 crop, of 16 million tonnes, and the average. However, should conditions worsen, the harvest could fall even lower.

The area that has not been planted to wheat is expected to be planted to 2007 summer crops, such as maize, sorghum and sunflower. However, the pace of planting,

which normally starts in mid-September is very slow because of the exceptionally dry soils, and if precipitation does not resume in the next few weeks, the area planted to the 2007 coarse grains may substantially decrease. Weather concerns are also delaying planting of the 2007 paddy crop in the main growing provinces of Corrientes and Entre Ríos.

This situation will probably determine a shift in land use, where areas earmarked for summer coarse grain crops are turned over to soybean, which is planted somewhat later from November to January. In this case, the country's capacity to export cereals and meat products in the 2006/07 marketing year would be reduced, while output of soybean could rise even further above the record output of 40.5 million tonnes obtained this year.

Figure 7. Soil water balance in Argentina (second dekad of September 2006)



South America

Harvesting of the 2006 winter wheat crop has recently started in Centre-South states of **Brazil**, while it is expected to start by the end of October in the important growing areas of **Argentina**, **Uruguay** and **Paraguay**. Aggregate production for the subregion is tentatively forecast just below 19 million tonnes, the lowest

level since 2002. This is essentially due to the record low expected in **Brazil** as a consequence of reduced plantings and yields. The area planted decreased sharply in response to low profitability of wheat in the past years, which has resulted in heavy indebtedness of farmers and lower use of fertilizers. Wheat yields have been negatively affected by dry weather conditions during the season

in areas from northern Parana to Mato Grosso do Sul and Goias, as well as and by frosts at the beginning of September. Reduced soil moisture has also severely affected plantings of 2006 winter crop in **Argentina**, where the planned area of 5.9 million hectares was not achieved and the area planted is officially estimated slightly below 5.4 million hectares, only some 3 percent more than the previous year's sharply reduced level. Low domestic prices and unfavourable weather conditions at planting are the key factors behind the reduced area under winter wheat in **Chile** and **Paraguay**.

Harvesting of the 2006 second season maize crop is virtually completed in the subregion and the 2006 aggregate production (first and second season) is estimated at an average 65.3 million tonnes, around last year's level. This reflects a very good crop obtained in **Brazil** that compensated for reduced crops in **Argentina** and **Uruguay** due to a widespread reduction in planted area and lower yields following a mid-season dry spell. Meanwhile land is being prepared for planting the important 2007 summer maize crop in southern countries of the subregion. Prospects for planting are uncertain reflecting current dry conditions in parts.

Limited soil moisture is raising some concerns from the planting of the 2007 paddy crop that should start by mid-October. If substantial rains are not received during the next

LATIN AMERICA AND THE CARIBBEAN: Countries in crisis requiring external assistance and main reasons (3)

Widespread lack of access

Haiti	Insecurity, economic crisis
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Severe localized food insecurity

Colombia	Conflict, IDPs
Ecuador	Volcanic eruption

Note: For explanation of terminology see back cover.

few weeks in the main growing areas, the area planted to the 2007 paddy crop may be further reduced from the low level of 2006, when low domestic prices in Brazil, the main producer in the subregion, induced a sharp decrease in plantings.

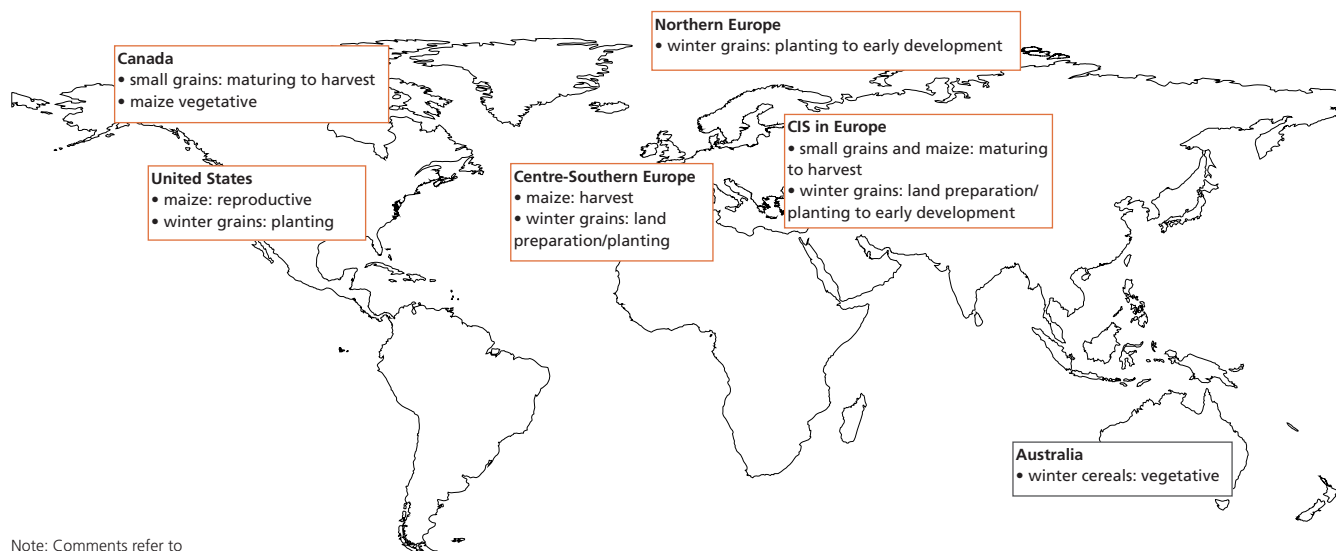
In **Ecuador**, parts of Los Ríos and Bolívar provinces have been severely affected by ash fall following the eruption of the Tungurahua volcano in mid-August, with serious long-term consequences for soil fertility. A preliminary assessment indicates that more than 100 000 persons have been directly affected by the disaster and that approximately one quarter of them is in immediate need of food assistance.

North America, Europe and Oceania

North America

Planting of the **United States'** winter wheat crop for harvest in 2007 was reported to be about 36 percent complete as of late September. This was marginally behind the average pace as fieldwork had been hampered during the month in some areas by wet fields, and in others by excessive dryness. However, the situation was expected to improve with the arrival of beneficial rains in some previously dry southern parts at the end of the month. Early indications point to a significant expansion in the wheat area. The 2006 wheat crop, harvesting of which was virtually complete by the end of August, is officially estimated at about 49 million tonnes, 14 percent below the 2005 crop and well below the average of the past five years. An overall increase in plantings was more than offset by a sharp drop in yields following drought during a large part of the 2005/06 season. With regard to coarse grains, as of late September, harvesting of maize was reported to be about 13 percent complete, just slightly behind the average pace. The area for harvest is estimated to be

about 4 percent down from the previous year but better yields are expected, and output is forecast up marginally on last year's at 282.3 million tonnes, which would be the second largest crop on record after 2004. Crop conditions and yield prospects improved across the northern Great Plains and the western Corn Belt in August following favourable rainfall. Output of other coarse grains is expected to decrease in 2006 after planted areas were reduced and also because smaller yields are forecast. In **Canada**, the harvest of the bulk of the wheat in the main producing western regions is virtually complete. Latest official estimates put the total wheat output at 25.9 million tonnes, about 3 percent down from last year's bumper crop but still well above the average of the past five years. The reduction is due to sharp declines in both area and yield of durum wheat, which more than offset an increase in production of other wheat. This year's coarse grains area is estimated to be down marginally from the previous year along with a significant switch to more oats and less barley. With yields expected to return closer to average (as was the case for wheat) the aggregate coarse grain output is forecast at some 23.8 million tonnes, 9 percent down from last year.



Note: Comments refer to situation as of September.

Europe

The 2006 cereal harvest in the **EU** has turned out considerably smaller than earlier expected after exceptionally hot and dry weather in July adversely affected crops in several countries. It is reported that the geographic area affected this year by yield loss related to the hot and dry conditions has been larger than in the severe drought year of 2003. However, because the period of water scarcity was shorter, the yield reduction has been less pronounced than in 2003. The aggregate cereal output of the EU is now estimated at 253 million tonnes, 7 million tonnes less than last year and about 3 percent below the average of the past five years. Among the major producers, the largest yield losses compared to last year were recorded in Hungary, Poland, Italy, Germany and France, and in the latter four countries, the average yields were also well down on the five-year average. By contrast, in Spain, output recovered sharply from the very poor drought-reduced level last year, although remaining somewhat below the average. By cereal type, the largest output reductions have been recorded so far for wheat and rye, while the maize harvest, still to be completed, is also expected to be well down on last year. Planting of the winter cereals for harvest in 2007 is reported to be proceeding well under generally favourable conditions.

EUROPE: Countries in crisis requiring external assistance and main reasons (1)

Severe localized food insecurity

Russian Federation Conflict
(Chechnya)

Note: For explanation of terminology see back cover.

The **Balkan Peninsula** escaped the severe summer drought that affected the north and west of the region, but this year's cereal output is nevertheless expected to be down from 2005. The decrease is largely due to smaller wheat crops in the two main producers – Romania and Bulgaria – where winter planting was reduced and, subsequently, severe winter conditions and flooding damaged and/or destroyed some large areas of crops, particularly in the former country. Prospects for the maize harvest, which has still to be completed, are more favourable, and output is expected to remain at last year's about-average level.

In the **European CIS** (the Russian Federation, Ukraine, Belarus and Moldova), cereal harvesting is almost complete and the aggregate output of the four countries this year is estimated at about 114 million tonnes compared with 122.5 million tonnes in 2005. Severely cold weather and relatively thin snow cover last winter were the main reasons for the decline in harvest. Wheat was the main crop affected by the harsh winter, with output falling in the Russian Federation and Ukraine by about 13 percent and 27 percent respectively, bringing the aggregate crop for the region down to an estimated 57 million tonnes, some 11.5 million tonnes below the 2005 harvest. The winter coarse grains are more resistant to harsh weather and, with the bulk of the crop now harvested, the aggregate output in the region is forecast at some 56 million tonnes, about 2.8 million tonnes up on the harvest in 2005. The aggregate cereal exports from the region during the 2006/07 marketing year are forecast at about 18.4 million tonnes, some 6.7 million tonnes down on the 2005/06 marketing year. Of the total, wheat is expected to account for about 9.6 million tonnes, while coarse grains (mainly barley) would account for about 8.8 million tonnes. Aggregate cereal imports to the region during the 2006/07 marketing year are forecast at about 2.6 million tonnes, similar to the volume imported in the previous year. Land preparation for the winter grain planting is reported

to be progressing well under generally favourable conditions, and early tentative indications point to larger areas than in the previous year.

Oceania

With the season in **Australia** progressing towards the start of harvest (about November in most parts), earlier predications of a drier than average winter cropping season in 2006 have materialized. Throughout most cropping regions crops have been stressed by lack of moisture, and in some parts this has been compounded by particularly hot temperatures. The latest official forecast for winter grain production released in the ABARE

September Crop Report, has been revised downward sharply. Output of wheat in 2006 is now forecast at just 16.4 million tonnes, 35 percent down from last year and well below the five-year average. Output of barley is seen to fall by 41 percent to just 5.8 million tonnes. Early prospects for the summer cereals to be planted in the coming weeks are somewhat mixed. The sorghum area could be maintained about the level of last year as plenty fallow land is available in summer crop areas because of reduced winter plantings. However, good spring rains will be vital to allow planting to proceed and for crop establishment. The rice area is expected to decrease sharply in response to the reduced availability of irrigation supplies available after the dry winter.

Table 10. North America, Europe and Oceania cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast	2004	2005 estim.	2006 f'cast
North America	84.6	84.1	75.0	346.6	325.4	319.9	10.5	10.1	8.8	441.7	419.6	403.6
Canada	25.9	26.8	25.9	26.7	26.3	23.8	-	-	-	52.6	53.0	49.7
United States	58.7	57.3	49.0	319.9	299.1	296.1	10.5	10.1	8.8	389.1	366.5	353.9
Europe	219.5	207.3	188.5	245.4	213.6	213.2	3.4	3.4	3.3	468.4	424.3	405.1
EU	137.5	123.7	119.1	152.1	133.5	131.8	2.8	2.7	2.6	292.5	259.9	253.4
Romania	7.8	7.3	5.3	16.8	11.5	11.5	-	-	-	24.5	18.9	16.8
Serbia	2.8	2.0	1.9	7.1	7.5	6.2	-	-	-	9.9	9.5	8.1
CIS in Europe	64.8	68.5	57.0	60.3	53.4	56.2	0.6	0.7	0.7	125.6	122.5	113.9
Russian Federation	45.4	47.7	41.5	30.3	28.3	29.2	0.5	0.6	0.6	76.2	76.5	71.3
Ukraine	17.5	18.7	13.7	23.1	18.6	20.7	0.1	0.1	0.1	40.7	37.4	34.5
Oceania	22.2	25.4	16.7	12.7	15.0	10.6	0.6	0.3	1.1	35.4	40.8	28.4
Australia	21.9	25.1	16.4	12.1	14.5	10.0	0.5	0.3	1.0	34.6	39.9	27.4

Note: Totals computed from unrounded data.

Special features

Localized Drought and Civil Conflict in Afghanistan

Afghanistan has suffered localized drought in the north and north-west in the current season. Crops in other areas also received reduced precipitation. Rainfed cereal crop losses have varied from 100 to 50 percent, mainly north of the Hindu Kush mountains where production normally accounts for 18 percent of the total harvest. In addition, some 5 percent of the irrigated crops have been affected by pests and diseases, mainly sunn-pest and locusts.

The aggregate cereal output in 2006 is now estimated at about 3.8 million tonnes, some 1.3 million tonnes down on last year's harvest. Output of wheat, the staple cereal crop, has dropped by 1 million tonnes compared with last year's harvest of 4.2 million tonnes. However, this year's cereal harvest is still higher than average annual production for the past 15 years, estimated at 3.3 million tonnes.

Water tables in parts of the country have receded and people are reportedly leaving areas where crops have been significantly damaged in search of food and water. The situation could deteriorate during the winter, when households traditionally rely on food from the summer harvests. Targeted food assistance will, therefore, be necessary to ward off starvation and mass out-migration.

Why does a relatively small decrease in production have such a large impact?

In spite of efforts by the government and the international community, critical issues remain:

1. *Deteriorating security*: This significantly impacts food security; one phenomenon feeds on the other in a vicious circle.
2. *Coping mechanisms and strategies have been exhausted*: Many years of conflict and severe drought in the recent past have eroded most assets and reserves.
3. *Limited or no alternative sources of livelihoods*: Even a small decrease in agricultural production has significant impact since households lack alternatives to meet their consumption requirements.
4. *Limited irrigation*: Current irrigation infrastructure is inadequate. Systems from the 1960s have suffered from half a century of civil conflict and neglect.
5. *Livestock*: Traditionally an important source of nutrition and income, but the national herd stands at half the size of 1989 levels. The recent Avian Influenza outbreak has also had a significant impact on the nascent poultry sector.

6. *Infrastructure*: Most of the rural and provincial roads, bridges, schools, clinics and houses are in a state of ruin. Access to markets and other services remains difficult for the majority of rural population, many of whom are cut off for a few months each winter.

7. *Public services*: Most of the social services traditionally provided by the public sector are extremely limited or non-existent, further eroding the coping capacity of the population.

8. *Social capital*: The erosion of historically strong social capital and support mechanisms, following prolonged years of conflict, has also limited coping strategies.

Avian Influenza (AI) in Afghanistan

Afghanistan has some of the poorest social, economic and health indicators in the world, as a result of a quarter-century of devastating civil strife and half a decade of equally devastating drought.

As of March 2006 the FAO had detected some 26 confirmed cases of H5N1 virus among sampled chickens in four provinces. The country is highly susceptible to AI infections because live birds, both mature and day-old chicks, are imported from neighbouring countries, in particular Pakistan where a number of AI outbreak have been reported. Afghanistan also lies on three major wild bird routes, namely the Central Asian flyway, the Black Sea-Mediterranean fly way and the East Africa-West Asia flyway. Some countries along these flyways have already been infected with H5N1, which could then spread to Afghanistan via bird seasonal migration. However, national facilities and capacities to detect, control, and mitigate any outbreaks of communicable disease, including HPAI are woefully inadequate.

The AI outbreak in Afghanistan is particularly of concern for the following reasons:

1. *Financial/Economic loss and distributional impact*: The size of the poultry sector in Afghanistan is low by all accounts and its overall nutritional contribution to the diet is relatively insignificant. However, about 98 percent of the poultry sector is owned and managed by women, whose access to other sources of livelihoods is extremely limited. An AI outbreak would deprive women of perhaps the only source of livelihood, which they fully own and manage. In addition, many rural households have little or no land, and poultry is an important source of income and supplementary nutrition for critical lean months of the year. There is little scope for switching to other kinds of livestock providing alternative sources of meat or income. Severe AI outbreaks would, therefore, directly affect the most vulnerable, highly malnourished and food insecure population (recently estimated at 8 million or over one-third of total population).

2. *Gender impact of a human epidemic:* Since women and children are the main managers of virtually all poultry in the country, they will also be the first victims of an epidemic. Given the lack of adequate information, sanitation and awareness, and a poorly equipped and dilapidated public health system, the spread of the disease and high casualties would be a likely consequence. The limited health personnel includes very few women, particularly in the rural areas, while local traditions usually prohibit attendance to female patients by male medical personnel. This would increase the impact of an epidemic on women yet further, even if some medical assistance could be provided.

3. *Spread of AI across international borders:* since Afghanistan lies on three major wild-bird flyways with important sanctuaries, any outbreak will spread the disease far beyond its national borders through seasonal wild-bird migrations. Targeting the disease at its source will, therefore, not only prevent a national catastrophe, but also lower the risk of cross-border virus dissemination.

The expansion of soybean frontier and its impact on food security in Paraguay

The gradual expansion of large-scale soybean cropping in Paraguay, into new lands, raises some concerns about the impact on the economy of the small peasants that are progressively displaced by the movement of the crop frontier. After selling or renting their land, small peasants are often induced to migrate toward urban areas in search of job opportunities, increasing the level of poverty and reducing their level of food security.

Paraguay has two main ecological regions, separated by the Paraguay River: the Occidental Region called "Chaco", which represents above 60 percent of the national territory but has only 3 percent of the national population (mostly indigenous), is characterized by semi-arid weather conditions and where the principal economic activity is livestock; and the Oriental Region, with a sub-tropical humid climate, where most of the country's economic and social dynamic takes place. The economy of the Oriental Region is influenced by the presence of the strong and dynamic soybean sector, which accounts for almost 40 percent of national agricultural output and about 65 percent of total agricultural exports (including soybean grains, flour, cakes and oils).

Traditional soybean growing areas are the oriental departments of Alto Paraná, Itapúa and Canindeyú, with more than 80 percent of the national production and planted area. The soybean crop was introduced to these areas in the 1970s by Brazilian settlers that moved into the country

bringing the crop with them from the traditional growing states of Rio Grande do Sul, Paraná and Santa Catarina. During the last 15 years, following the increasing international demand of soybean and the availability of new genetically modified varieties, soybean production has experienced a spectacular increase (see Table 11) and the frontier of the soybean cultivated area is quickly moving westward, into the departments of Caazapá, San Pedro and Caaguazú in the centre of the Paraguayan territory.

The initial introduction of soybean in the 1970s and 1980s occupied land cleared from the native rainforest of the Paraná River basin, and made suitable for the highly mechanized production system. Given that the deforestation process has now virtually reached its conclusion, with only about 7 per cent of the Paraguay's Interior Atlantic Forest left, the pressure to expand further the soybean area is now exerted on other areas such as the extensive pasture land in north-eastern departments and the small peasantry systems in central and south-eastern departments.

In north-eastern departments of Amambay and Concepción and in north-east San Pedro, all traditional livestock areas, the acquisition of land by soybean farmers is determining changes in the local production system, where the typical extensive livestock system is gradually becoming more intensive on a reduced area. This trend is directly influenced by the competitiveness of meat and meat products vis-à-vis soybean.

More worrisome in terms of food security seems to be the soybean expansion in central areas of the Paraguayan territory. These areas are characterized by fragile agricultural systems resulting from a process of land reform and colonization, the so-called "March toward the East", that took place in the 1970s with the purpose to reduce the demographic pressure in and around the capital city. Here, small peasants essentially produce food crops for their own consumption (maize, sweet potatoes, peanuts and cassava) and some cash crops such

Table 11. Soybean planted area in Paraguay (hectares)

Departments	1991	2005	Variation (%)
Alto Paraná	228 504	710 100	311
Itapúa	210 523	479 225	228
Canindeyú	49 030	329 740	673
Caaguazú	21 799	158 020	725
Caazapá	8 931	112 720	1 264
San Pedro	17 367	75 850	437
Total	536 154	1 865 655	340

Source: Ministry of Agriculture.

as cotton and sesame to be sold in local markets. In the departments of San Pedro, Caaguazú, Caazapá and lowland Canindeyú, small peasants living along the soybean frontier are often offered very high prices for selling or renting their land, especially by farmers of Brazilian origin with abundant financial resources. Land price differential between Paraguay and Brazil has always been an important driving factor of the colonization of the Eastern Region by Brazilian settlers, especially in the 1970s and 1980s when it almost reached the record ratio of 10:1. Another factor that frequently induces small peasants to sell their land is the contamination of food crops, water and air due to the agrochemical drift of fumigations on nearby soybean fields.

The limited job opportunities offered by the expanding soybean sector, due to its high level of mechanization, and the difficulties for small peasants to buy new land in order to continue to produce some food crops are the main reasons behind the process of migration from rural areas. In some cases, the new landless peasants settle down along the main paved roads, close to the area of origin, where it is possible to establish some small economic activities that take advantage of the passage of people and vehicles. Nevertheless, they decide more frequently to move to urban areas, with a preference for the capital city, looking for better job opportunities. Here their expectations are often not realized and they have to face a reality of unemployment and social marginalization, with increasing levels of poverty and malnutrition.

El Niño-Southern Oscillation (ENSO)

El Niño is a large-scale substantial warming of surface waters in the central and eastern Equatorial Pacific Ocean, coupled with changes in the atmosphere that affect weather patterns across much of the Pacific Basin. These changes include: i) a negative value of the Southern Oscillation Index (SOI), ii) the sustained weakening of Trade winds and iii) increased cloudiness over the tropical Pacific. El Niño is the oceanic component, while the Southern Oscillation is the atmospheric one. This combination gives rise to the term ENSO (El Niño Southern Oscillation). El Niño is an irregular event appearing every 2 to 7 years, with different intensity and duration and usually peaks around Christmas, hence the name of the phenomenon: El Niño (Spanish for Christ Child). Maximum strength is usually maintained until February. Important changes in temperatures and precipitation patterns are often noticed during El Niño, having a positive or negative impact on agriculture. The overall changes in the ocean surface

temperatures caused by El Niño also affect marine fisheries, particularly in the eastern Pacific. However, the particular character of the impact differs quite markedly from one event to another, even with similar changes and patterns in the Pacific Ocean. Therefore, no precise quantitative association between the occurrence of El Niño and changes in agricultural production has been established and it is difficult to forecast the impact of El Niño. The impact on agriculture will decisively depend on the relative timing of the El Niño and the crop calendar in a particular region. La Niña refers to the "cold" equivalent of El Niño.

The oldest El Niño recorded dates back to 1578, when torrential rains and floods devastated crops in northern Peru. During the past forty years, ten of these major El Niño events have been verified. El Niño event in 1982/83 resulted in severe flooding and drought in several parts of the world, as well as the decline of a number of fish stocks, and reportedly caused over US\$10 billion in weather-related damages. In 1991/92 El Niño resulted in a severe drought in Southern Africa. The last strong El Niño occurred in 1997/98, with drought and floods in several areas of South America and South-East Asia that had severe adverse effects on agricultural production and infrastructure.

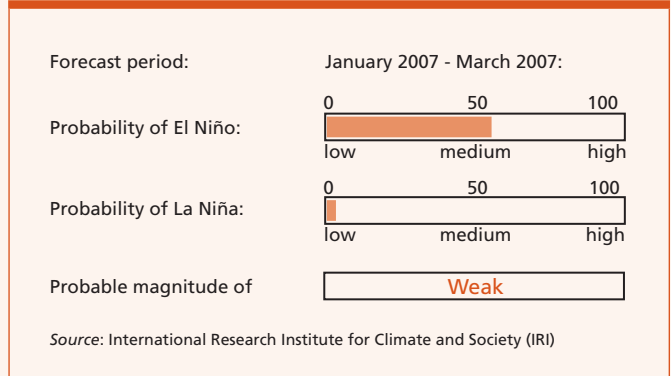
This year, since the beginning of August, indicators consistent with the development phase of an El Niño phenomenon have been observed. Sea surface temperatures (SSTs) have risen through much of the equatorial Pacific and by mid-September had met the El Niño thresholds for this time of year in the eastern-central Pacific, although these anomalies are at the weak end of what is commonly observed during an El Niño event. It is worth also to note, that the actual criteria for El Niño conditions includes the provision that the SST anomalies remain at or above these levels for at least three months. A further increase in SST is predicted following a raise in sub-surface temperatures as a result of a Kelvin Wave of increased temperatures in the eastern Pacific, which is currently moving towards the South American coast. Regarding other factors contributing to an El Niño-ENSO event in the eastern Pacific, sustained negative values of the SOI were observed in late August, but they are currently trending back to neutral. Similarly, after being much weaker than normal for nearly a month, the Trade winds have strengthened since early September being near-normal in the second half of September. Cloudiness along the equatorial line in the central to west Pacific, another important indicator of ENSO conditions, has been increasing since late May to above average levels.

Overall, conditions in the tropical Pacific are currently indicative of the development of a weak El Niño event. Based on the latest observations, computer models indicate that there is 55 to 60 percent probability that weak El Niño

conditions will prevail throughout early 2007 (see Figure 8). Although a strong El Niño phenomenon is not forecast at this early stage, and the associated climatic effects in most regions are expected to be weak, these may be, nonetheless, significant at local level. Some impact of the developing El Niño conditions is already evident, such as the below-average rainfall in southern Australia, across Indonesia, Malaysia and most of the Philippines.

FAO will keep closely monitoring weather anomalies and assessing possible effects these may have on agricultural production and food security in various parts of the world in order to provide early warnings and to enable mitigating actions.

Figure 8. Summary of September 2006 ENSO forecast



Statistical appendix

Table. A1 - World cereal stocks: Estimated total carryovers of cereals28
Table. A2 - Estimated cereal import requirements of Low-Income Food-Deficit Countries (2005/06 or 2006 estimates)29
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Table A1. World cereal stocks: Estimated total carryovers of cereals¹ (000 tonnes)

	2002	2003	2004	2005	2006 estimate	2007 forecast
TOTAL CEREALS	575.7	484.3	415.5	467.4	468.4	421.7
Wheat	237.0	202.6	160.6	175.4	174.4	152.8
held by:						
- main exporters ²	49.0	39.1	38.5	55.0	58.0	38.4
- others	188.0	163.5	122.1	120.4	116.5	114.5
Coarse Grains	195.9	162.4	149.6	193.3	190.0	162.6
held by:						
- main exporters ²	70.3	55.3	48.5	93.9	90.9	65.6
- others	125.6	107.1	101.1	99.5	99.1	97.0
Rice (milled basis)	142.8	119.3	105.3	98.7	103.9	106.2
held by:						
- main exporters ²	36.3	21.7	22.5	18.9	22.0	24.1
- others	106.6	97.7	82.8	79.8	81.9	82.1
Developed Countries	169.9	145.2	123.5	190.4	190.4	138.2
Australia	10.2	5.2	9.2	11.1	16.1	8.1
European Union ⁴	31.1	33.7	21.5	48.8	43.8	33.8
Canada	10.3	8.9	10.3	14.5	16.3	12.4
Hungary ⁵	2.0	1.4	0.8	-	-	-
Japan	5.7	5.4	4.9	4.7	4.8	4.2
Poland ⁵	2.9	2.9	2.4	-	-	-
Romania	2.5	2.0	1.2	5.0	4.9	3.2
Russian Federation	13.5	12.5	7.3	9.1	9.3	8.5
South Africa	1.9	3.8	3.5	4.1	4.0	2.3
Ukraine	5.2	5.1	2.9	4.3	4.9	3.5
United States	67.4	45.1	44.4	74.7	72.4	49.9
Developing Countries	405.8	339.2	292.0	277.0	278.0	283.5
Asia	368.2	306.5	251.7	233.4	235.3	242.7
China ³	248.5	209.1	162.9	151.9	152.5	156.9
India	61.2	39.8	32.9	26.7	25.0	28.5
Indonesia	5.0	5.7	6.0	5.7	5.2	4.8
Iran (Islamic Republic of)	4.9	4.4	3.5	2.7	3.0	2.7
Korea, Republic of	3.2	3.1	2.9	2.8	2.8	3.0
Pakistan	6.5	2.9	1.9	1.8	3.2	3.6
Philippines	1.9	2.2	1.9	2.2	2.7	2.8
Syria	3.8	4.1	4.2	4.5	4.4	4.2
Turkey	7.7	8.0	7.2	6.5	4.7	3.9
Africa	20.7	18.7	21.4	23.8	27.0	27.0
Algeria	2.0	2.5	2.6	3.6	4.5	4.7
Egypt	4.1	3.2	2.7	3.3	4.2	3.9
Ethiopia	0.4	0.9	0.4	0.5	1.1	1.3
Morocco	1.9	1.8	2.9	4.6	3.0	3.0
Nigeria	2.1	2.1	1.7	1.2	1.7	1.7
Tunisia	1.1	0.6	1.1	1.3	1.5	1.3
Central America	6.7	5.6	5.8	6.7	5.1	5.1
Mexico	4.7	3.7	3.9	5.0	3.4	3.4
South America	9.8	8.1	12.8	12.9	10.4	8.5
Argentina	2.3	3.2	3.3	1.9	2.4	1.6
Brazil	3.8	1.6	5.8	7.2	4.0	3.3

¹ Stock 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 Including Taiwan Province.

⁴ Up to 2004 15 member countries, from 2005 25 member countries.

⁵ From 2005 included in EU 25.

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

Table A2. Estimated cereal import requirements of Low-Income Food-Deficit Countries (000 tonnes)

Marketing year	2004/05 or 2005			2005/06 or 2006				
	Actual imports			Total import requirements (excl. re-exports) ¹	Import position ²			
	Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases	
AFRICA		37 495.8	3 202.4	40 698.2	39 743.2	31 037.9	2 305.9	28 732.0
North Africa		16 781.8	8.2	16 790.0	16 843.0	16 843.0	5.3	16 837.7
Egypt	July/June	12 733.8	8.2	12 742.0	12 025.0	12 025.0	5.3	12 019.7
Morocco	July/June	4 048.0	0.0	4 048.0	4 818.0	4 818.0	0.0	4 818.0
Eastern Africa		4 603.8	2 081.2	6 685.0	5 924.8	4 443.3	1 432.9	3 010.4
Burundi	Jan./Dec.	42.1	53.9	96.0	119.0	51.1	50.9	0.2
Comoros	Jan./Dec.	38.0	0.0	38.0	40.0	19.9	0.0	19.9
Djibouti	Jan./Dec.	56.2	19.0	75.2	72.0	44.4	7.6	36.8
Eritrea	Jan./Dec.	159.8	205.5	365.3	383.0	70.9	63.5	7.4
Ethiopia	Jan./Dec.	26.4	786.1	812.5	481.0	434.3	434.1	0.2
Kenya	Oct./Sept.	1 517.2	124.4	1 641.6	1 336.0	1 026.9	221.3	805.6
Rwanda	Jan./Dec.	167.0	21.7	188.7	216.0	54.7	29.4	25.3
Somalia	Aug./July	388.0	52.6	440.6	418.0	418.0	98.3	319.7
Sudan	Nov./Oct.	1 447.4	650.0	2 097.4	1 798.0	1 318.7	396.7	922.0
Tanzania, U.R.	June/May	683.8	34.3	718.1	892.8	892.8	33.9	858.9
Uganda	Jan./Dec.	77.9	133.7	211.6	169.0	111.6	97.2	14.4
Southern Africa		2 965.4	437.2	3 402.6	4 131.6	4 131.6	379.8	3 751.8
Angola	April/March	767.9	56.4	824.3	700.9	700.9	38.6	662.3
Lesotho	April/March	183.1	5.7	188.8	209.3	209.3	15.6	193.7
Madagascar	April/March	237.7	29.9	267.6	316.0	316.0	31.4	284.6
Malawi	April/March	204.6	87.7	292.3	343.5	343.5	54.8	288.7
Mozambique	April/March	696.4	40.3	736.7	989.5	989.5	92.8	896.7
Swaziland	May/April	133.5	5.3	138.8	121.8	121.8	15.3	106.5
Zambia	May/April	61.7	62.9	124.6	240.2	240.2	68.3	171.9
Zimbabwe	April/March	680.5	149.0	829.5	1 210.4	1 210.4	63.0	1 147.4
Western Africa		11 655.4	562.9	12 218.3	11 288.2	4 987.3	441.0	4 546.3
Coastal Countries		8 907.6	256.9	9 164.5	8 561.3	3 798.3	154.1	3 644.2
Benin	Jan./Dec.	124.4	13.1	137.5	118.0	91.8	1.4	90.4
Côte d'Ivoire	Jan./Dec.	1 228.0	27.0	1 255.0	1 206.1	597.0	12.2	584.8
Ghana	Jan./Dec.	873.0	55.7	928.7	801.0	285.5	60.4	225.1
Guinea	Jan./Dec.	349.5	30.1	379.6	325.0	135.1	10.5	124.6
Liberia	Jan./Dec.	187.7	87.3	275.0	240.0	141.0	42.5	98.5
Nigeria	Jan./Dec.	5 763.7	10.5	5 774.2	5 470.0	2 432.3	0.0	2 432.3
Sierra Leone	Jan./Dec.	254.8	33.2	288.0	296.0	62.1	26.9	35.2
Togo	Jan./Dec.	126.5	0.0	126.5	105.2	53.5	0.2	53.3
Sahelian Countries		2 747.8	306.0	3 053.8	2 726.9	1 189.0	286.9	902.1
Burkina faso	Nov./Oct.	365.5	30.1	395.6	261.9	52.1	23.3	28.8
Cape Verde	Nov./Oct.	53.2	31.5	84.7	105.0	43.0	27.0	16.0
Chad	Nov./Oct.	73.7	63.1	136.8	131.4	77.5	56.9	20.6
Gambia	Nov./Oct.	126.3	9.0	135.3	146.8	30.8	7.3	23.5
Guinea Bissau	Nov./Oct.	74.2	9.3	83.5	82.4	14.8	4.3	10.5
Mali	Nov./Oct.	242.3	19.9	262.2	269.2	80.6	14.4	66.2
Mauritania	Nov./Oct.	431.0	49.7	480.7	381.6	238.1	64.8	173.3
Niger	Nov./Oct.	375.3	79.3	454.6	324.6	94.5	74.9	19.6
Senegal	Nov./Oct.	1 006.3	14.1	1 020.4	1 024.0	557.6	14.0	543.6
Central Africa		1 489.4	112.9	1 602.3	1 555.6	632.7	46.9	585.8
Cameroon	Jan./Dec.	717.3	13.0	730.3	677.0	278.4	2.4	276.0
Cent.Afr.Rep.	Jan./Dec.	42.8	3.6	46.4	50.1	18.4	9.6	8.8
Congo, Dem.Rep.	Jan./Dec.	411.3	86.8	498.1	500.0	209.8	29.4	180.4
Congo, Rep.	Jan./Dec.	285.0	5.0	290.0	295.0	111.7	4.5	107.2
Eq. Guinea	Jan./Dec.	23.5	0.0	23.5	19.5	9.8	0.0	9.8
Sao Tome & Principe	Jan./Dec.	9.5	4.5	14.0	14.0	4.6	1.0	3.6

(contd. on page 30)

Table A2. (continued)

	Marketing year	2004/05 or 2005			Total import requirements (excl. re-exports) ¹	2005/06 or 2006		
		Actual imports				Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
ASIA		47 257.2	2 420.2	49 677.4	43 008.8	40 593.0	942.3	39 650.7
CIS in Asia		2 806.0	294.0	3 100.0	2 755.0	2 755.0	66.0	2 689.0
Armenia	July/June	154.0	9.0	163.0	107.0	107.0	3.0	104.0
Azerbaijan	July/June	1 113.0	34.0	1 147.0	1 051.0	1 051.0	6.0	1 045.0
Georgia	July/June	903.0	67.0	970.0	893.0	893.0	14.0	879.0
Kyrgyz Republic	July/June	71.0	131.0	202.0	142.0	142.0	1.0	141.0
Tajikistan	July/June	303.0	53.0	356.0	270.0	270.0	42.0	228.0
Turkmenistan	July/June	4.0	0.0	4.0	13.0	13.0	0.0	13.0
Uzbekistan	July/June	258.0	0.0	258.0	279.0	279.0	0.0	279.0
Far East		33 302.3	1 906.8	35 209.1	28 805.8	27 695.7	792.0	26 903.7
Bangladesh	July/June	2 880.8	338.2	3 219.0	3 050.0	3 050.0	186.0	2 864.0
Bhutan	July/June	64.7	1.3	66.0	71.0	71.0	0.3	70.7
Cambodia	Jan./Dec.	64.8	15.2	80.0	41.9	16.4	3.9	12.5
China	July/June	15 888.1	66.9	15 955.0	10 564.0	10 564.0	0.0	10 564.0
India	April/March	209.3	45.4	254.7	726.6	726.6	28.2	698.4
Indonesia	April/March	6 590.5	53.2	6 643.7	5 944.7	5 944.7	48.3	5 896.4
Korea, D.P.R.	Nov./Oct.	72.4	1 164.5	1 236.9	900.0	463.3	405.2	58.1
Lao, P.D.R.	Jan./Dec.	12.3	15.8	28.1	27.6	0.6	0.6	0.0
Mongolia	Oct./Sept.	208.6	39.4	248.0	323.0	183.4	29.7	153.7
Nepal	July/June	128.2	11.8	140.0	120.2	120.2	1.4	118.8
Pakistan	May/April	1 428.1	7.7	1 435.8	932.1	932.1	0.0	932.1
Philippines	July/June	4 512.0	48.2	4 560.2	4 904.7	4 904.7	71.0	4 833.7
Sri Lanka	Jan./Dec.	1 174.5	99.2	1 273.7	1 150.0	668.7	17.4	651.3
Timor-Leste	July/June	68.0	0.0	68.0	50.0	50.0	0.0	50.0
Near East		11 148.9	219.4	11 368.3	11 448.0	10 142.3	84.3	10 058.0
Afghanistan	July/June	1 602.2	184.8	1 787.0	481.0	481.0	43.5	437.5
Iraq	July/June	4 299.9	9.3	4 309.2	6 017.0	6 017.0	28.8	5 988.2
Syria	July/June	2 754.7	10.5	2 765.2	2 275.0	2 275.0	7.0	2 268.0
Yemen	Jan./Dec.	2 492.1	14.8	2 506.9	2 675.0	1 369.3	5.0	1 364.3
CENTRAL AMERICA		1 496.8	179.9	1 676.7	1 789.3	1 789.3	218.7	1 570.6
Haiti	July/June	548.1	117.4	665.5	657.0	657.0	73.9	583.1
Honduras	July/June	658.0	19.7	677.7	761.3	761.3	105.9	655.4
Nicaragua	July/June	290.7	42.8	333.5	371.0	371.0	38.9	332.1
SOUTH AMERICA		896.6	47.0	943.6	1 010.7	1 010.7	17.0	993.7
Ecuador	July/June	896.6	47.0	943.6	1 010.7	1 010.7	17.0	993.7
OCEANIA		407.0	0.0	407.0	415.7	78.5	0.0	78.5
Kiribati	Jan./Dec.	8.7	0.0	8.7	8.7	0.0	0.0	0.0
Papua New Guinea	Jan./Dec.	349.3	0.0	349.3	358.0	78.5	0.0	78.5
Solomon Isl.	Jan./Dec.	29.5	0.0	29.5	29.5	0.0	0.0	0.0
Tonga	Jan./Dec.	6.4	0.0	6.4	6.4	0.0	0.0	0.0
Tuvalu	Jan./Dec.	1.1	0.0	1.1	1.1	0.0	0.0	0.0
Vanuatu	Jan./Dec.	12.0	0.0	12.0	12.0	0.0	0.0	0.0
EUROPE		1 592.5	8.4	1 600.9	1 635.6	1 635.6	1.2	1 634.4
Albania	July/June	496.6	8.4	505.0	460.0	460.0	1.2	458.8
Belarus	July/June	566.0	0.0	566.0	597.0	597.0	0.0	597.0
Bosnia-Herzegovina	July/June	529.9	0.0	529.9	578.6	578.6	0.0	578.6
TOTAL		89 145.9	5 857.9	95 003.8	87 603.3	76 145.0	3 485.1	72 659.9

¹ For definition of **import requirements** see terminology.² Estimates based on information available as of August 2006.

Table A3. Estimated cereal import requirements of Low-Income Food-Deficit Countries (000 tonnes)

	Marketing year	2005/06			Total import requirements (excl. re-exports) ¹	2006/07		
		Actual imports				Import position ²		
		Commercial purchases	Food aid	Total commercial and aid		Total commercial and aid	Food aid allocated, committed or shipped	Commercial purchases
AFRICA		21 768.1	517.3	22 285.4	18 409.0	2 180.4	354.7	1 825.7
Northern Africa		16 837.7	5.3	16 843.0	14 420.0	1 240.2	5.4	1 234.8
Egypt	July/June	12 019.7	5.3	12 025.0	11 802.0	1 046.8	5.4	1 041.4
Morocco	July/June	4 818.0	0.0	4 818.0	2 618.0	193.4	0.0	193.4
Eastern Africa		1 178.6	132.2	1 310.8	1 040.0	154.5	97.0	57.5
Somalia	Aug./July	319.7	98.3	418.0	420.0	59.6	59.6	0.0
Tanzania, U. R.	June/May	858.9	33.9	892.8	620.0	94.9	37.4	57.5
Southern Africa		3 751.8	379.8	4 131.6	2 949.0	785.7	252.3	533.4
Angola	April/March	662.3	38.6	700.9	847.0	40.8	18.5	22.3
Lesotho	April/March	193.7	15.6	209.3	209.0	64.1	5.0	59.1
Madagascar	April/March	284.6	31.4	316.0	270.0	20.5	18.1	2.4
Malawi	April/March	288.7	54.8	343.5	125.0	116.8	67.8	49.0
Mozambique	April/March	896.7	92.8	989.5	809.0	189.1	76.5	112.6
Swaziland	May/April	106.5	15.3	121.8	127.0	35.3	2.5	32.8
Zambia	May/April	171.9	68.3	240.2	105.0	42.6	21.2	21.4
Zimbabwe	April/March	1 147.4	63.0	1 210.4	457.0	276.5	42.7	233.8
ASIA		37 410.8	480.5	37 891.3	41 594.4	10 688.6	294.2	10 394.4
CIS in Asia		2 689.0	66.0	2 755.0	2 643.0	241.4	22.8	218.6
Armenia	July/June	104.0	3.0	107.0	225.0	4.7	2.5	2.2
Azerbaijan	July/June	1 045.0	6.0	1 051.0	967.0	95.9	0.0	95.9
Georgia	July/June	879.0	14.0	893.0	765.0	66.9	10.5	56.4
Kyrgyz Republic	July/June	141.0	1.0	142.0	110.0	21.0	0.0	21.0
Tajikistan	July/June	228.0	42.0	270.0	271.0	35.3	9.8	25.5
Turkmenistan	July/June	13.0	0.0	13.0	14.0	0.0	0.0	0.0
Uzbekistan	July/June	279.0	0.0	279.0	291.0	17.6	0.0	17.6
Far East		26 028.1	335.2	26 363.3	30 481.4	5 102.9	124.3	4 978.6
Bangladesh	July/June	2 864.0	186.0	3 050.0	3 050.0	323.7	23.7	300.0
Bhutan	July/June	70.7	0.3	71.0	71.0	0.1	0.1	0.0
China	July/June	10 564.0	0.0	10 564.0	10 182.0	640.2	0.0	640.2
India	April/March	698.4	28.2	726.6	6 100.0	1 336.3	44.1	1 292.2
Indonesia	April/March	5 896.4	48.3	5 944.7	6 141.4	2 646.8	25.6	2 621.2
Nepal	July/June	118.8	1.4	120.2	180.0	9.5	9.5	0.0
Pakistan	May/April	932.1	0.0	932.1	521.0	19.9	19.9	0.0
Philippines	July/June	4 833.7	71.0	4 904.7	4 176.0	126.4	1.4	125.0
Timor-Leste	July/June	50.0	0.0	50.0	60.0	0.0	0.0	0.0
Near East		8 693.7	79.3	8 773.0	8 470.0	724.2	69.2	655.0
Afghanistan	July/June	437.5	43.5	481.0	740.0	67.0	67.0	0.0
Iraq	July/June	5 988.2	28.8	6 017.0	5 430.0	466.7	0.7	466.0
Syria	July/June	2 268.0	7.0	2 275.0	2 300.0	190.5	1.5	189.0
CENTRAL AMERICA		1 570.6	218.7	1 789.3	1 730.0	127.0	98.8	28.2
Haiti	July/June	583.1	73.9	657.0	660.0	86.4	67.2	19.2
Honduras	July/June	655.4	105.9	761.3	755.0	8.3	8.3	0.0
Nicaragua	July/June	332.1	38.9	371.0	315.0	32.3	23.3	9.0
SOUTH AMERICA		993.7	17.0	1 010.7	931.0	22.3	0.0	22.3
Ecuador	July/June	993.7	17.0	1 010.7	931.0	22.3	0.0	22.3
EUROPE		1 634.4	1.2	1 635.6	1 705.0	64.9	0.0	64.9
Albania	July/June	458.8	1.2	460.0	440.0	30.7	0.0	30.7
Belarus	July/June	597.0	0.0	597.0	695.0	34.2	0.0	34.2
Bosnia-Herzegovina	July/June	578.6	0.0	578.6	570.0	0.0	0.0	0.0
TOTAL		63 377.6	1 234.7	64 612.3	64 369.4	13 083.2	747.7	12 335.5

¹ For definition of import requirements see terminology.² Estimates based on information available as of August 2006.

Terminology

- **The Low-Income Food-Deficit (LIFDC) group of countries** includes food deficit countries with per caput annual income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$1 465 in 2003), which is in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocation of food aid.
- The **import requirement** is the difference between **utilization** (food, feed, other uses, exports plus closing stocks) and **domestic availability** (production plus opening stocks). Utilization is based on historical values, adjusted upon assessment of the country's current economic situation.
- **The main wheat and coarse grain exporters** are Argentina, Australia, Canada, the EU and the United States. The main **rice** exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam.
- **Countries facing unfavourable prospects for current crops** are countries where prospects point to a shortfall in production of current crops as a result of the area planted and/or adverse weather conditions, plant pests, diseases and other calamities, which indicate a need for close monitoring of the crop for the remainder of the growing season.
- **Countries in Crisis Requiring External Assistance** 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.

NOTE: This report is prepared on the responsibility of the FAO Secretariat with information from official and unofficial sources. Since conditions can change rapidly and information may not always represent the current crop or food supply situation as of present date, further enquiries should be made before any action is taken. None of the reports should be regarded in any way as statements of governmental views.

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Enquiries may be directed to:

Henri Josserand, Chief, Global Information and Early Warning Service,
Commodities and Trade Division, (ESC), FAO, Rome

Direct Facsimile: 0039-06-5705-4495, E-mail: GIEWS1@FAO.ORG.

Or find us on the FAO World Wide Web site (www.fao.org) at:

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