



Crop Prospects and Food Situation

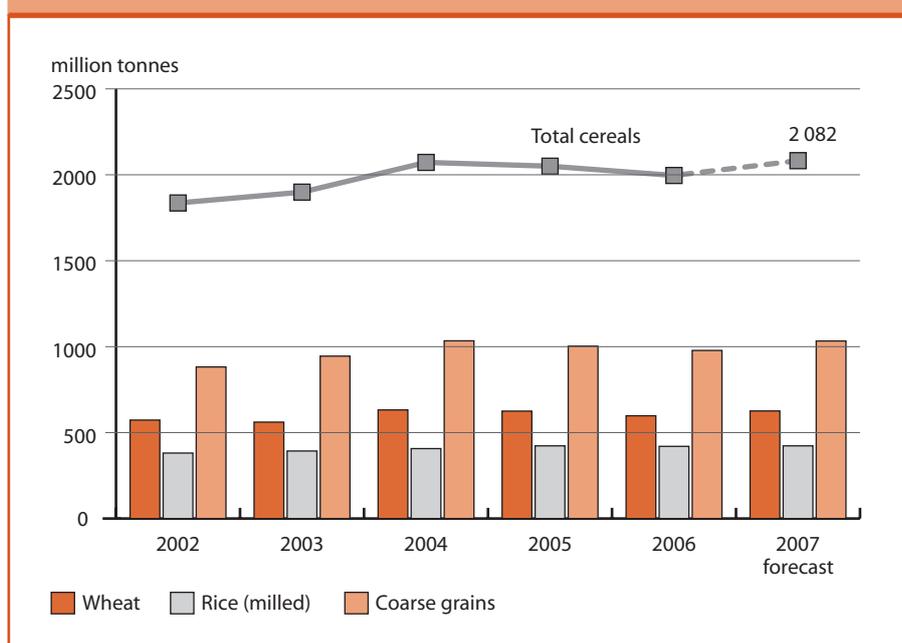
HIGHLIGHTS

- **World cereal production in 2007 is forecast by FAO to increase some 4 percent to a record 2 082 million tonnes.** The bulk of the increase is expected in maize, with a bumper crop already being gathered in South America, and a sharp increase in plantings expected in the United States. A significant rise in wheat output is also foreseen, with a recovery in some major exporting countries' crops after weather problems last year.
- **Another good cereal crop likely in 2007 in the group of Low-Income Food-Deficit countries (LIFDCs).** Although still highly tentative, FAO's first forecast indicates that for the LIFDCs as a group, the 2007 cereal production could remain around the above-average level of 2006.
- **In Southern Africa, the 2007 main season harvest is underway.** Preliminary forecasts put aggregate maize production at 14.8 million tonnes, about the same as last year's below average crop. However, prospects vary considerably from country to country with significant crop losses due to floods in some parts, and reduced yields due to persistent dry weather in others.
- **In Eastern Africa, the outcome of the 2006/07 secondary season crops, just completed in most countries, has been generally good.** Thus, following above-average to bumper first season crops in many countries, a record aggregate cereal output is confirmed for 2006/07, improving the overall food supply situation.
- **In Latin America and the Caribbean region the first of the 2007 cereal crops are already being harvested.** Record 2007 main season maize crops are being gathered in South America, where the planted area increased in response to strong demand, largely for ethanol production, and yields increased with the benefit of good weather. A good wheat crop is being harvested in Mexico, the main producing country in Central America and the Caribbean.
- **In Bolivia, contrary to the favourable harvest and food outlook for the Latin American and Caribbean region as a whole,** severe weather excesses ranging from torrential rains in some parts to drought in others have caused extensive damage to agriculture and the food security of vulnerable rural communities is threatened.

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World cereal production



Countries in crisis requiring external assistance¹ (33 countries)

AFRICA (23 countries)

Exceptional shortfall in aggregate food production/supplies

Lesotho	Multiple year droughts, HIV/AIDS impact
Swaziland	Multiple year droughts, HIV/AIDS impact
Zimbabwe	Deepening economic crisis, drought

Widespread lack of access

Eritrea	IDPs, returnees, high food prices
Ethiopia	Low incomes, localized floods
Liberia	Post-conflict recovery period, IDPs
Mauritania	Multiple year droughts
Niger	After effects of 2004 drought and locusts
Sierra Leone	Post-conflict recovery period, refugees

Severe localized food insecurity

Burundi	Civil strife, IDPs, returnees and recent dry spells
Central African Republic	Civil strife, IDPs
Chad	Refugees, insecurity
Congo	IDPs, refugees
Côte d'Ivoire	Civil strife, IDPs
Congo, Dem. Rep.	Civil strife, IDPs and refugees
Guinea	IDPs, refugees, high food prices
Guinea-Bissau	Localized insecurity, marketing problems
Kenya	Drought and floods in parts
Madagascar	Dry weather in southern areas
Somalia	Conflict, floods and drought
Sudan	Civil strife, returnees, drought in parts
Uganda	Civil strife, IDPs, drought in Karamoja
Tanzania, U.R.	Drought in parts and refugees

ASIA (8 countries)

Exceptional shortfall in aggregate food production/supplies

Iraq	Conflict and insecurity, IDPs
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Widespread lack of access

Afghanistan	Conflict, IDPs and returnees, localized drought
Korea, DPR	Economic constraints, floods
Nepal	Civil strife and drought

Severe localized food insecurity

Pakistan	After effects of the Kashmir earthquake, floods
Philippines	Successive typhoons
Sri Lanka	After effects of the Tsunami, deepening conflicts and floods
Timor-Leste	Civil strife, IDPs, and drought

LATIN AMERICA (2 countries)

Widespread lack of access

Haiti	Insecurity, economic crisis
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Severe localized food insecurity

Bolivia	Adverse weather conditions (floods in lowlands; drought, hail and frost in highlands)
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Countries with unfavourable prospects for current crops²

AFRICA

Lesotho	Dry weather.
Namibia	Dry spells.
South Africa	Dry and hot weather in the maize growing areas.
Swaziland	Dry weather
Zimbabwe	Drought

ASIA

Iraq	Conflict, displacement
Timor-Leste	Drought

LATIN AMERICA

Bolivia	Adverse weather conditions (floods in lowlands; drought, hail and frost in highlands)
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Terminology

¹**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.

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

Emergency update

Despite improved food supply in many of the countries normally most at risk from food insecurity, following record or bumper 2006 cereal crops, FAO's latest assessment indicates that food emergencies persist in 33 countries worldwide. In 18 of the cases, the food crisis is wholly or partially a result of current or recent civil strife or conflict, while in the remainder, the impact of adverse weather on one or more of the most recent foodcrop production seasons, is the main cause.

In **Western and Central Africa**, serious localized food insecurity is reported in several countries due mostly to insecurity and lack of access problems. In **Central African Republic**, persistent insecurity continues to compromise the food security of thousands of people. A WFP Mission that visited the country in February 2007 estimated that 70 000 additional people have been displaced since September 2006, bringing the total number of IDPs in the country to about 220 000. The Mission recommended the distribution of emergency food aid to about 190 000 people. In **Chad** the worrying security situation in the eastern part of the country is disrupting agricultural and marketing activities. In **Mauritania** and **Niger**, localized populations, already suffering the compounded effects of reduced production in recent years, had poor harvests yet again in 2006, because of adverse weather, and their food security situation remains precarious. Emergency food assistance continues to be needed in **Côte d'Ivoire**, **Guinea**, **Liberia**, **Sierra Leone** for large numbers of IDPs and refugees as a result of civil conflicts.

In **Eastern Africa**, impacts of floods, localized drought, recent outbreaks of Rift Valley Fever (RVF) in some countries and conflict related displacement continue to negatively impact on the food situation of a large number of people. In **Eritrea**, continued high prices of food commodities is compromising the access to food of large numbers of urban poor, displaced people and pastoralists. Similarly, in **Ethiopia**, continued high levels of food prices are negatively affecting poorer households. Overall, about 2.3 million people are identified to be in need of food assistance during 2007. In addition, as many as 7.3 million chronically food insecure people will be targeted with cash and/or food assistance under the Productive Safety Net Programme (PSNP). In **Kenya**, an outbreak of Rift Valley Fever (RVF) in late December 2006 is a cause for serious concern. The disease has already killed hundreds of people and many livestock and reduced livestock reproduction rates. Control measures, including market closures and livestock movement restrictions, have constrained pastoralist income. Vaccines are in short supply, and the upcoming rainy season may renew conditions favourable for rapid RVF transmission. The North-eastern Province is the worst affected, with large livestock losses.

In **Somalia**, a large number of people are facing serious food insecurity. Escalating violence and insecurity in the Somali capital, Mogadishu, forced at least 40 000 people to flee the city in February alone. Insecurity had also affected the ability of humanitarian organizations to respond to emergencies and emerging needs. Increased cases of diseases, linked to post-

flooding conditions, lack of access to safe drinking water and poor hygiene and sanitation practices, have affected many people and killed hundreds. Currently, nearly 1 million people, including 400 000 people displaced countrywide, will need food aid until June 2006. In **Sudan**, problems of physical and financial access to food due to war, displacement, poor infrastructure, weak marketing system and economic isolation continue to render millions of vulnerable people dependent on food assistance. About 4.6 million people in Sudan will need emergency food assistance during 2007 mainly due to civil unrest. In the **United Republic of Tanzania** and **Uganda**, food difficulties remain in parts due to localized drought and/or insecurity. In Uganda, WFP still provides assistance for nearly 1.28 million IDPs and 500 000 drought affected people in Karamoja. In addition, 182 000 refugees in Uganda receive food assistance.

In **Southern Africa**, excessive rains from January to March have caused serious flooding damaging infrastructure and thousands of hectares of standing crops in **Zambia**, **Mozambique** and **Madagascar**. A UN Consolidated Appeal to help the affected population and to resettle farming has been launched for Mozambique and Madagascar and one is being prepared for Zambia. In **Zimbabwe**, the Minister of Agriculture has officially declared a drought situation in the country and food shortages are anticipated for millions of vulnerable people struggling under the deepening economic crisis. In **Lesotho** and **Swaziland**, anticipated poor cereal harvests again in 2007 preclude an improvement in the food security of these countries. In **Madagascar**, the food security situation has worsened in southern parts because of drought last season and dry weather and severe floods in parts this season. 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 food crops harvest, combined with resettlement of returnees and IDPs.

In **Far East Asia**, in **Timor-Leste**, where the current crops are significantly affected by unfavourable weather conditions and locusts, an estimated 100 000 IDPs are in need of food assistance. A tight food supply situation in **Nepal** continues as a result of a sharp decline in 2006 main crop production. In the **Democratic People's Republic of Korea**, despite an upward revision to the official estimate of 2006 cereal production, the Government has announced a deficit of 1 million tonnes of cereals, and the food security situation of millions of people remains a serious concern. In **Sri Lanka**, conflict, displacement and localized flooding continue to affect large numbers of people. In the **Near East**, in **Iraq**, conflict and insecurity continue to affect the lives of a large number of people, triggering a large scale displacement. In the **Asian CIS**, a large number of people in **Armenia** have been rendered food insecure as a result of drought-reduced harvests last year.

In **Central America**, assistance continues to be required in **Haiti**, due to long-term problems of insecurity and economic crisis. In **South America**, adverse weather conditions (floods in the lowlands and drought and frost in the highlands) have affected **Bolivia's** agricultural and livestock sectors, threatening the food security of the most vulnerable communities.

Global cereal production brief

World cereal output to increase in 2007

FAO's first forecast for world cereal production in 2007 stands at a record 2 082 million tonnes (including rice in milled terms), 4 percent up from 2006 and almost 10 million tonnes above the previous global high set in 2004. The bulk of the increase is expected in **maize**, pushing aggregate **coarse grains** production up by 5.6 percent to 1 033 million tonnes. The first of the major 2007 coarse grain crops are already being harvested or are just approaching harvest in several countries around the globe. In South America, harvesting of the main season crops is underway and a record harvest is expected following a significant increase in plantings in response to strong US demand for ethanol production, but also reflecting favourable growing conditions that resulted in good yields. In Southern Africa, however, where the harvest is just underway, prospects are less favourable and aggregate output is forecast to remain similar to last year's below-average crop. In the northern hemisphere, the bulk of the major 2007 coarse grains have yet to be sown in the coming weeks. In the United States, maize planting is off to a good start in southern parts, and the strong demand in the country, largely for ethanol production, is expected to fuel a sharp, 9 percent, increase in plantings.

The world **wheat** harvest is also expected to increase significantly in 2007, with FAO's first forecast indicating a growth of 4.8 percent to about 626 million tonnes. In the northern hemisphere where many crops area already well developed, larger wheat outputs are forecast in North America and Europe. In the United States, the area sown expanded and winterkill is forecast low this year, pointing to

a good harvest area. Also in Europe, overall plantings expanded and generally favourable winter conditions point to good yield prospects in many countries, although the most noteworthy recovery is expected in the European CIS after reduced output last year. In Asia, wheat output in 2007 is seen to remain close to last year's level. A reduction in China's production will likely be offset by an increase in India, where plantings increased sharply, largely in response to government policy to encourage foodgrain production. In North Africa, however, a smaller wheat crop is forecast, as weather conditions have

been less favourable than last year when a bumper harvest was gathered. In the southern hemisphere, where most crops have still to be sown, early indications suggest little change in production in South America, but in Oceania, assuming a return to a normal season after last year's drought, output should recover sharply in Australia.

For **rice**, the paddy season is well advanced among countries located south of and along the equator, but is just starting in the northern hemisphere, where the bulk of the world's rice is produced. Based on the first and very tentative FAO forecast, global rice production in 2007 could rise marginally to 423 million tonnes (milled terms), about 3 million tonnes more than in 2006.

Table 1. Cereal production¹ (million tonnes)

	2006 estimate	2007 forecast	Change: 2007 over 2006 (%)
Asia	899.5	907.6	0.9
Far East	798.3	805.8	0.9
Near East in Asia	71.7	71.8	0.2
CIS in Asia	29.4	29.8	1.5
Africa	142.4	135.7	-4.7
North Africa	35.4	31.1	-12.2
Western Africa	47.5	47.5	0.0
Central Africa	3.6	3.4	-4.1
Eastern Africa	34.7	33.3	-4.2
Southern Africa	21.2	20.4	-3.6
Central America & Caribbean	36.4	37.5	3.0
South America	108.0	123.1	14.0
North America	386.8	419.7	8.5
Europe	403.4	419.6	4.0
EU ²	248.4	280.3	12.8
CIS in Europe	118.5	123.3	4.1
Oceania	18.6	38.2	105.7
World	1 995.1	2 081.5	4.3
Developing countries	1 138.5	1 156.2	1.6
Developed countries	856.5	925.3	8.0
- wheat	597.7	626.3	4.8
- coarse grains	978.2	1 032.6	5.6
- rice (milled)	419.2	422.6	0.8

¹Includes rice in milled terms.

²EU-25 in 2006 and EU-27 in 2007.

Note: Totals computed from unrounded data.

Low-Income Food-Deficit Countries food situation overview¹

FAO's first forecast for 2007 points to another good cereal crop in the LIFDCs

For the LIFDCs as a group, FAO's early production forecasts indicate that the 2007 cereal production will be around the above-average level of 2006, when the output of the 82 LIFDCs was estimated at some 879 million tonnes, the sixth consecutive year of growth. This forecast is however highly tentative as the main season cereal crops are still to be planted in several regions of Africa, Asia and Central America.

In North Africa, where the main winter wheat crop is at the developing stage, prospects for the harvest from July are satisfactory in Egypt but in Morocco production is expected to decline sharply from the bumper harvest of 2006 due to insufficient rains at planting time and erratic precipitation during the growing season. Prospects are also mixed in countries of Southern Africa, where harvest of the 2007 main season coarse grains is about to start. Prolonged periods of dry weather have negatively affected the outlook in Lesotho, Swaziland and Zimbabwe. While severe floods have resulted in localized crop losses in Zambia, Madagascar and lately Malawi, overall, good cereal outputs are still expected in these countries. In Mozambique, affected by dry weather

in the south and floods in central parts, the outlook remains uncertain. In Asia, throughout the Far East, Near East and Asian CIS subregions, prospects for the 2007 wheat and early rice crops, to be harvested from June, are generally satisfactory with good outputs anticipated in most countries.

Cereal imports to decline in most regions in 2006/07

Following bumper 2006 cereal harvests in most LIFDCs, cereal imports in marketing years 2006/07 are

anticipated to decline in most regions. However, at aggregate level, the cereal imports of the LIFDCs are forecast at 88.6 million tonnes, slightly above the revised imports in 2005/06, mainly reflecting India's requirements of 6.6 million tonnes of wheat to replenish stocks, which compares with less than 1 million tonnes of cereals imported in the previous year.

Slow progress in 2006/07 commercial imports and food aid allocations

Out of the LIFDC's total 2006/07 cereal imports, some 5 percent is expected to be in the form of food aid. According to information available to GIEWS by late March 2007, only 49 percent of the import requirement had been covered by commercial imports or food aid deliveries/pledges. In particular,

Table 2. Cereal production of LIFDCs¹
(million tonnes)

	2005	2006	2007	Change: 2007 over 2006 (%)
Africa (44 countries)	113.6	126.8	121.2	-4.4
North Africa	25.4	29.5	25.9	-12.1
Eastern Africa	30.6	34.7	33.2	-4.2
Southern Africa	8.8	11.5	11.1	-4.0
Western Africa	45.5	47.5	47.5	-0.1
Central Africa	3.3	3.6	3.4	-4.2
Asia (25 countries)	733.7	741.5	749.8	1.1
CIS in Asia	14.1	12.9	13.4	3.4
Far East	705.6	715.1	722.0	1.0
- China	372.7	383.7	382.5	-0.3
- India	193.8	191.5	199.2	4.0
Near East	14.1	13.5	14.5	6.9
Central America (3 countries)	1.7	1.6	1.7	2.0
South America (1 country)	1.7	1.6	1.7	1.9
Oceania (6 countries)	0.0	0.0	0.0	0.0
Europe (3 countries)	7.6	7.4	7.7	4.6
Total (82 countries)	858.4	879.0	882.1	0.3

¹The 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.

¹ Includes rice in milled terms.

Note: Totals computed from unrounded data.

in Southern Africa, where the new marketing year 2007/08 starts in April, imports have covered only 66 percent of the total expected volume. By contrast, food aid deliveries/pledges to Southern Africa have been satisfactory. However, the estimated food aid deliveries/pledges remain well below requirements in most other regions of the world.

Table 3. Cereal import position of the LIFDCs (000 tonnes)

	2005/06 or 2006 Actual imports	2006/07 or 2007			
		Requirements ¹		Import position ²	
		Total imports:	of which food aid	Total imports:	of which food aid
Africa (44 countries)	39 429	34 778	2 386	13 109	1 286
North Africa	16 843	14 938	24	8 646	24
Eastern Africa	5 513	4 693	1 392	1 611	615
Southern Africa	4 239	3 045	415	1 998	385
Western Africa	11 252	10 535	489	822	241
Central Africa	1 583	1 567	67	32	22
Asia (25 countries)	42 956	48 969	1 911	28 145	489
CIS in Asia	2 871	2 953	227	2 011	39
Far East	28 637	35 721	1 453	21 901	350
Near East	11 447	10 295	231	4 233	101
Central America (3 countries)	1 757	1 705	184	1 064	179
South America (1 country)	1 011	946	30	631	30
Oceania (6 countries)	416	416	0	0	0
Europe (3 countries)	1 619	1 785	60	548	0
Total (82 countries)	87 187	88 599	4 571	43 517	1 984

¹ 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.

² Estimates based on information available as of late March 2007.

Note: Totals computed from unrounded data.

Regional reviews

Africa

North Africa

Overall crop prospects remain mixed

Harvesting of the 2007 winter cereal crops is due to start from June in most countries of the subregion. Production prospects remain mixed. In Egypt, the largest producer of the subregion, the outlook is favourable, principally for the irrigated wheat crop. By contrast, in Algeria, Morocco and Tunisia prospects are less favourable and smaller crops are expected this year, mainly as a consequence of insufficient soil moisture at planting and subsequent erratic rains in the main growing areas. Weather conditions during spring will be critical for crop yields in these countries.

Western Africa

Overall food supply situation remains satisfactory but difficulties persist in several countries

Land preparation is underway in the Coastal countries for planting of the 2007 main season cereal crops, while in the Sahel, planting is scheduled for June. The food supply situation remains generally satisfactory in most parts of the subregion reflecting the bumper 2006 cereal harvest. In the Sahel, food prices have been mostly stable since the beginning of the marketing year in December. However, localized food security problems persist in several countries due mostly to lack of access. Joint CILSS/FAO/FewsNet post-harvest Assessment Missions visited Chad, Guinea-Bissau, Mauritania and Senegal in February-March 2007 to assess the food situation, which still remains generally satisfactory, despite reduced 2006 cereal productions and marketing disruptions (see box).

In the other Sahel countries, in **Niger**, about 30 percent of the population remain food insecure in spite of last year's record

CILSS/FAO/FewsNet post-harvest Assessment Missions visit some Sahel countries

In **Mauritania**, the estimate of aggregate cereal production in 2006 has been revised down to about 145 000 tonnes compared to 173 000 estimated by the CILSS/FAO mission late last year, mainly reflecting lower yields following pest damage and erratic precipitation. At this level, production is 27 percent lower than last year's level and below average. Mauritania is a food-deficit country whose domestic production covers only one-third of the country's cereal utilization requirement. The country relies heavily on coarse grain (millet and sorghum) imports from neighbouring Senegal and Mali, and wheat imports from the international market. Consequently, food prices are a key determinant of access to food for the majority of Mauritians. At the time of the Joint Assessment Mission, the prices of both coarse grains and wheat were at relatively high levels, reflecting poor harvest in Senegal and increasing wheat price on the international market. However, relatively high livestock prices were also reported, limiting the negative impact of high food prices on pastoralists, whom are among the most vulnerable populations. This along with ongoing safety net programs for households by WFP and the Commissariat à la sécurité alimentaire (CSA) is helping to mitigate the negative impact that several consecutive years of crop failure have had on food security. Market conditions and the situation of vulnerable groups need to be continuously monitored in order to provide assistance as necessary.

In **Senegal**, the estimate of aggregate cereal production in 2006 has been revised downward by national statistics services to about 988 000 tonnes, a decrease of about 33 percent compared to 2005 and about 14 percent compared to the average of the past five years. The reduction results from the impact of erratic rains and inadequate supply of inputs in 2006. Groundnut production, the main source of cash income for rural households, is estimated to have decreased by 34 percent to 461 578 tonnes. Production of beans, sesame and watermelon also dropped significantly. While supply of millet and sorghum was limited due to low domestic production and limited destocking by farmers (exacerbated by the ongoing commercialisation of groundnuts), supply of imported rice has

increased, resulting in an overall adequate food supply situation. Therefore, cereal prices continued to follow the normal trend, having increased only slightly in January and February. Senegal is a food-deficit country and domestic production covers only half of the country's cereal utilization requirement.

In spite of the overall satisfactory food supply situation, access to food may deteriorate quickly in several areas that have experienced sharp drops in production or were affected by other severe shocks. These include Matam department where limited rainfall has reduced opportunity for recession crops, a major source of income in the area; the rural communities of Koulor in Tambacounda and Maka Yopp in Kaolack region where adverse weather and lack of inputs have resulted in severe crop losses; and Casamance region where insecurity has led to the displacement of thousands of people. In these areas, vulnerable groups need to be continuously monitored and assisted as necessary.

In **Guinea-Bissau**, persisting marketing problems in the cashew sector, the main source of cash income for rural households, continues to threaten food security of the most vulnerable population. Domestic production of foodcrops does not meet the country's consumption needs and farmers have to buy imported rice to supplement their own production using revenue derived from the sale of cashew. Traders did not buy the 2006 cashew production from farmers due to high prices set by the Government, leaving farmers without income and triggering localized severe food insecurity in several areas. Although the Government has not yet announced this year's price, marketing problems may persist in the cashew sector with continuing negative impact on producers' food security.

In **Chad**, the poor security situation in the eastern part of the country continues to disrupt marketing activities, limiting flows of commodities between regions and leading to food price spikes in some areas. The continuing population displacement may also affect land preparation for the 2007 cropping season due to start in May. Insecurity is also increasingly constraining humanitarian access to the Sudanese refugees.

crop, according to the latest Joint Vulnerability Assessment Survey carried out by the Government of Niger, FAO, FEWSNet and WFP, as a result of localized crop failures and widespread poverty. The departments with the highest proportion of food insecure people include Tahoua (38 percent), Tillabéri (34 percent) and Zinder (31 percent). Although this represents an important improvement compared to last year, the survey reveals the structural nature of

food insecurity in Niger. In **Burkina Faso**, where a record crop was also gathered last year, an increasingly tight food situation is reported in several areas where 2006 crop yields were sharply reduced because of delayed rains or floods. These include some departments of the provinces of Komandjari and Gnagna (East), Bam and Sanmentenga (Centre North), Lorum and Passoré (North) as well as Sahel region.

Central Africa

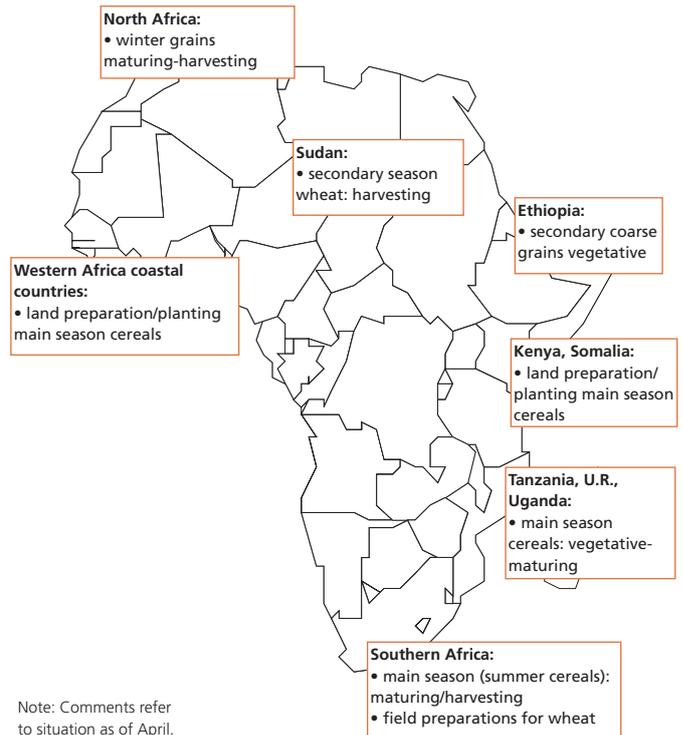
Improved food supply situation but difficulties persist in parts due to insecurity

Planting of the 2007 cereal crops has just started. FAO's latest estimates of the 2006 aggregate subregional cereal production indicate a good output of some 3.7 million tonnes, slightly higher than the previous year and above average mainly as a result of favourable weather conditions. In **Cameroon** the 2006/07 cropping season was marked by favourable weather conditions and an increase in area planted according to preliminary estimates of a joint mission of the Ministry of Agriculture and Rural Development (MINADER) and World Food Program (WFP), which recently visited the northern provinces of Adamaoua, North and Extreme-North. Aggregate cereal production in the three provinces (accounting for 60 percent of national production) was estimated at about 1.38 million tonnes which is 13 percent higher compared to the previous year's good crop. Following the good harvest in Cameroon and in neighbouring countries, notably in Nigeria, cereal markets are well supplied and prices, observed until February 2007, were mostly stable and lower than those during the previous year. A satisfactory food supply situation is expected for 2007, including the Chari and Logone regions in the extreme north of the country, which were struck by a serious food crisis in 2005. In **Central African Republic** by contrast, persistent insecurity continues to displace large numbers of population and compromise food security.

Eastern Africa

Good secondary season crops in most countries confirm record 2006/07 output

Harvesting of the **2006/07 secondary cereal crops** is almost complete throughout the subregion, except in Ethiopia, where the 2007 secondary "belg" season crops are yet to be harvested from June. In **Ethiopia**, prospects for the belg crop are generally favourable due to early showers which helped land preparation. In **Kenya**, harvesting of the 2006/07 secondary "short rains" cereal crop, accounting for up to 20 percent of annual production, is complete. Favourable rains from October to early January 2007 helped improve yields. This crop provides the main source of food in parts of Central and Eastern provinces. In **Somalia**, the output of the recently harvested secondary "deyr" season cereal crops is forecast at about 111 000 tonnes, nearly three times higher than the poor crop of last year, and 13 percent above the post-war average, reflecting improved rainfall during the season. In **Sudan**, harvesting of the wheat crop has just started and production is forecast at 642 000 tonnes, 55 percent higher than last year. In the **United Republic of Tanzania**, prospects for 2007 main season "msimiu" coarse grain crops, for harvest from May, in the uni-modal rainfall areas (central, southern and



western parts of the country including the maize surplus growing south-western highlands), are favourable following abundant rainfall. In the bi-modal rainfall areas of the northern coastal belt and north-eastern parts of the country, harvesting of the 2006/07 short "vuli" season crops is almost complete. A good crop is expected following favourable rains during the growing season. In **Uganda**, harvesting of the 2006/07 second season cereal crops is complete. Although unusually heavy rains affected harvesting in December and early January 2007, the output is estimated to be above average.

With the bulk of the secondary season harvests now complete, and following above-average bumper first season crops in many countries, FAO's latest estimate for aggregate 2006/07 (first and second season) cereal output in the subregion (2006 in table 4) stands at a record 35.3 million tonnes, 13.5 percent up from the previous year.

The **2007/08 main cropping season** is about to start in several equatorial parts of the region, the outcome of which depends very much on the level of precipitation during the March-May rainy season. Forecasts for this period indicate a normal to below-normal rainfall over major producing areas in the United Republic of Tanzania, Kenya, Somalia, central Sudan and eastern and southern Ethiopia. Rainfall levels so far in March are already reported to have been below normal in this region. However, over much of Uganda, central Ethiopia, southern Sudan, north-western and coastal Tanzania and the coastal areas of Kenya and southern Somalia, near to above-normal rainfall is forecast. At this

very early stage, FAO's tentative forecasts indicate a likely decline in the 2007/08 cereal harvest from the bumper crops gathered in the 2006/07 season.

Improved food supply situation overall but difficulties persist in parts

Following the good 2006/07 crops, the overall food supply situation has improved considerably in most parts of eastern Africa compared to the same time last year. Grain surpluses in many areas have resulted in low levels of cereal prices, except in Ethiopia and Eritrea where other inflationary factors are keeping prices at high levels. The heavy rains have also improved pasture conditions. This has reduced pastoralist movement in search of water and feed, increased the availability of milk and improved the overall food security of pastoralist households.

Despite the overall improved food supply, however, millions of people continue to depend on food assistance due a combination of factors including conflict and the impact of previous or current adverse weather conditions. Recent escalation of conflict and unrest in Somalia, which displaced tens of thousands of people, is a serious concern. In addition, Rift Valley Fever (RVF), an acute fever-causing virus that affects livestock and humans, broke out in Kenya in late December 2006. The disease has already killed hundreds of people and many livestock and reduced livestock reproduction rates. Control measures, including market closures and livestock

movement restrictions, have constrained pastoralist income. Vaccines are in short supply, and the upcoming rainy season may renew conditions favourable for rapid RVF transmission. The pastoral regions of southeastern Ethiopia, southern Somalia and northeastern Kenya have just emerged from a severe multi-year drought, during which herds suffered significant depletion and many pastoralists became destitute. A serious desert locust situation was also reported in the coast and areas of Eritrea, Sudan and northern Somalia. FAO, together with national authorities are closely monitoring the situation.

Southern Africa Mixed prospects for the 2007 cereal crops, with severe floods and prolonged dry spells in parts

Harvesting of the 2007 main season cereal crops, mostly maize, is underway in the subregion. FAO's preliminary forecasts indicate an aggregate maize production of 14.8 million tonnes, about the same as last year's below-average level. However, prospects vary considerably country by country with significant crop losses due to floods in January and February in some parts, and reduced yields due to persistent dry weather in others.

In **South Africa**, the largest producer of the subregion, the 2007 maize crop is forecast at 7.1 million tonnes, about 3 percent higher than last year's record low, but still well below average, with a recovery in plantings just offsetting a drop in yields. Official estimates indicate that the maize area

Table 4. Africa cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Africa	21.2	26.1	21.6	99.1	102.2	99.9	20.4	21.6	21.7	140.8	149.9	143.2
North Africa	15.4	18.7	15.0	11.7	12.2	11.5	6.2	6.6	6.6	33.2	37.4	33.1
Egypt	8.2	8.3	7.9	8.7	7.7	8.0	6.1	6.5	6.6	23.0	22.5	22.5
Morocco	3.0	6.3	3.5	1.3	2.7	2.0	0.0	0.0	0.0	4.3	9.0	5.5
Western Africa	0.1	0.1	0.1	39.9	41.6	41.5	8.8	9.3	9.5	48.8	51.0	51.1
Nigeria	0.1	0.1	0.1	22.4	24.1	23.9	3.6	3.9	4.3	26.0	28.1	28.2
Central Africa	0.0	0.0	0.0	3.1	3.3	3.1	0.4	0.4	0.4	3.5	3.7	3.6
Eastern Africa	3.6	4.9	4.6	26.1	28.8	27.6	1.4	1.6	1.6	31.1	35.3	33.8
Ethiopia	2.7	3.7	3.5	10.3	11.8	11.5	0.0	0.0	0.0	13.0	15.5	15.0
Sudan	0.4	0.6	0.6	5.1	6.0	5.9	0.0	0.0	0.0	5.6	6.6	6.5
Southern Africa	2.2	2.4	1.9	18.4	16.3	16.2	3.7	3.7	3.5	24.2	22.4	21.6
Madagascar	0.0	0.0	0.0	0.4	0.3	0.2	3.4	3.4	3.2	3.8	3.7	3.4
South Africa	1.9	2.1	1.7	12.3	7.3	7.5	0.0	0.0	0.0	14.2	9.4	9.2
Zimbabwe	0.1	0.1	0.1	0.7	1.6	1.0	0.0	0.0	0.0	0.8	1.7	1.1

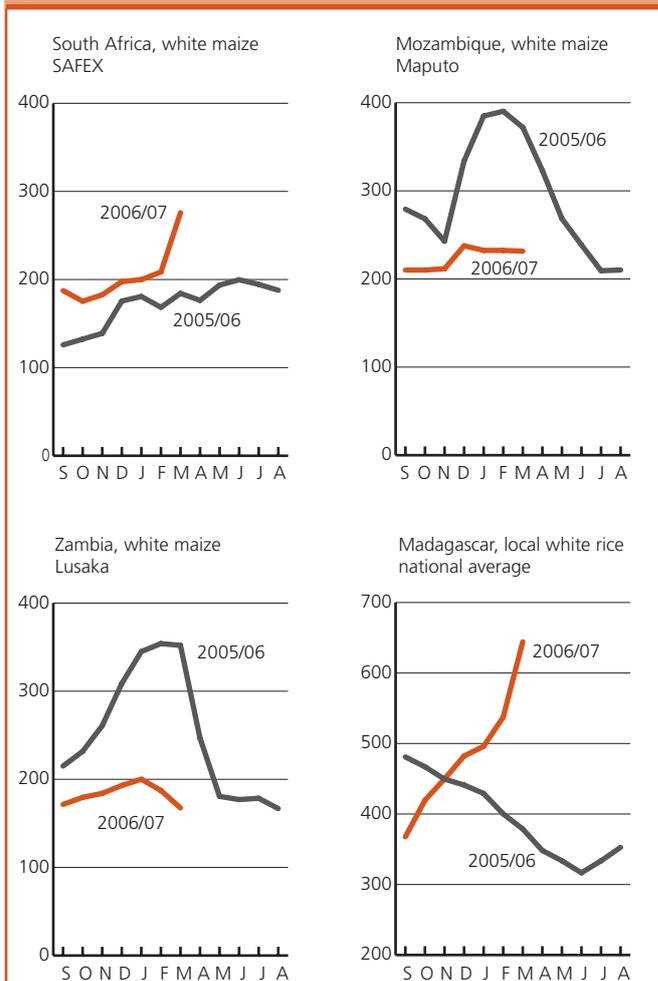
Note: Totals computed from unrounded data.

has expanded from last year's poor level by about 860 000 hectares to some 2.9 million hectares, encouraged by higher prices. However, prolonged dry spells and generally inadequate precipitation in the main maize triangle of the country are anticipated to reduce yields significantly. Dry weather during the season has also adversely affected plantings and yields in **Lesotho, Swaziland, Namibia, Botswana and Zimbabwe**, and the 2007 cereal outputs are forecast to decline from last year in these countries. By contrast, a bumper crop is expected in Malawi, reflecting abundant and well distributed rains, coupled with adequate availability of subsidized agricultural inputs at planting time. In **Zambia and Madagascar**, heavy rains in the second half of the cropping season, from January to March, have caused severe flooding in parts, damaging infrastructure and thousands of hectares of standing crops. However, abundant precipitation in other areas of these countries is expected to have resulted in improved yields, and the 2007 cereal outputs are anticipated to be slightly above average. In flood-affected areas, abundant soil moisture may also be beneficial for recession crops during the secondary season. Heavy rains and floods have also caused severe damage to crops in central parts of **Mozambique**, while in southern provinces prolonged dry weather has reduced maize yields; however the important growing areas of the north have benefited from good precipitation during the season. The final outcome of this year's cereal crops is still uncertain. In Zimbabwe, rains in the second half of the season have been well below average in south-southwest part of the country, seriously affecting crops but north-northeast areas are expected to do little better. The erratic weather, coupled with shortages of agricultural inputs, will result in a reduced cereal harvest this year. In **Angola**, another increase in the area planted to cereals this season is likely to result in a higher production this year, without much change in long-term average yields. As a result of unfavourable crop prospects, FAO/WFP Crop and Food Supply Assessment Missions (CFSAMs) have been requested by the governments of Zimbabwe, Swaziland and Lesotho.

Market prices rise rapidly in South Africa (maize) and in Madagascar (rice)

Reflecting the poor harvest prospects, maize prices have escalated in South Africa, the region's main exporting country, with current maize prices in US dollar terms higher than the corresponding levels last year, thus affecting Swaziland, Lesotho and other dependent markets in the region. Similarly, sustained heavy rains in Madagascar have reduced the rice supplies resulting in steep rise in rice prices. However, in other countries, current prices of maize, the most important staple food, are much below the corresponding levels a year ago when widespread food shortages were experienced.

Figure 1. Wholesale prices of white maize and rice in selected markets (US dollars per tonne)



Sources

South Africa: SAGIS; Zambia: CHC Commodities Ltd.; Mozambique: SIMA; Madagascar: Observatoire du riz.

Notes

South Africa: Futures prices in 3rd or 4th week of the month (i.e. as close to the spot prices as possible). Zambia: Average of weekly prices from selected available series for wholesale prices in Lusaka. Monthly average wholesale prices in Maputo. Madagascar: monthly national average.

Asia

Far East

Prospects for 2007 winter grain crops remain mostly favourable.

Prospects for the winter grain crops (mostly wheat) that are developing throughout the main producing countries remain mostly favourable. In **China**, wheat plantings were reduced in some parts by dry conditions last autumn and limited soil moisture availability continues to be reported in some northern and central areas. Latest forecasts point to a drop in output by some 4 percent to 99.5 million tonnes compared to last year. By

contrast, in **India**, a sharp increase in production is expected this year reflecting an expansion of the area sown and particularly favourable weather conditions. As a result, the country's wheat imports in 2007/08 are forecast much lower at 3 million tonnes, compared to their exceptionally high level of 6.5 million tonnes in the previous year. **Pakistan** is also expected to have a good winter wheat harvest again in 2007, and output is forecast at 22 million tonnes, close to last year's record output reflecting the favourable weather during the winter and spring so far. In the southern hemisphere countries of Indonesia and Sri Lanka, the main season rice crop is being harvested. Output is forecast somewhat down from last year's good crops but still about average. Prospects for dry season rice in Thailand, Lao People's Democratic Republic, Cambodia, and Viet Nam are generally satisfactory.

Food supply difficulties persist in several countries

Despite an overall satisfactory food supply situation in the subregion, vulnerable populations in a number of countries are still affected by serious food insecurity. The main food security concerns centre on the Democratic People's Republic of Korea, Sri Lanka, Timor-Leste, and Nepal. In **Timor-Leste**, as a result of violence in April and May 2006, an estimated 100 000 IDPs (10 percent of the country's population) are still living in camps. The precarious food security situation has been further worsened by a drought during the early period of the current main crop season. A joint FAO/WFP Crop and Food Supply Assessment Mission (CFSAM) is visiting country to assess the impact of adverse

weather on crop production (mainly maize), markets, and food security of the vulnerable population. In **Nepal**, the 2006 paddy production is officially estimated to be down by over 10 percent from the previous year and below average as a result of adverse weather and crop disease. The worst affected areas are in central and western regions. An FAO/WFP CFSAM is visiting the country. Despite a satisfactory level of overall food supply in **Sri Lanka**, the food security in the northeast remains severely affected by the political and worsening security situation. The country has also been affected by flooding following torrential monsoon rains in January 2007, which displaced some 60 000 people, mostly in the district of Nuwara Eliya and Hambantota. The 2006 aggregate cereal output in the **Democratic People's Republic of Korea** is officially estimated at 4.07 million tonnes (including 1.64 million tonnes of milled rice, and 1.96 million tonnes of maize), somewhat better than earlier expectations and above average, but still some 100 000 tonnes lower than the previous year's record production. With this revised level of output, the import requirement of cereals (mainly food aid) in 2006/07 is now forecast at 960 000 tonnes. Food security is still a major concern, although food aid deliveries may resume.

Near East

Good precipitation and snow cover in most countries have improved overall prospects for the 2007 winter grains for harvest from May

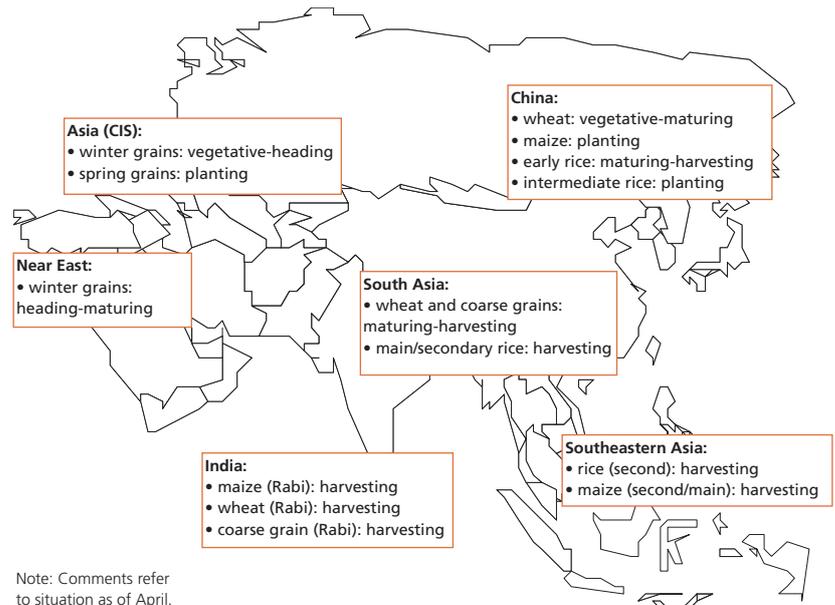
In **Afghanistan** precipitation and snow cover on the mountains throughout the country have been above average, partly replenishing the receding water table in the country and providing

Table 5. Asia cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Asia	263.2	271.0	271.7	245.0	249.1	252.7	572.2	568.7	574.1	1 080.5	1 088.9	1 098.5
Far East	191.5	198.9	199.0	219.5	223.6	227.3	567.0	563.1	568.4	978.0	985.6	994.7
Bangladesh	1.1	1.0	1.2	0.5	0.5	0.5	39.8	39.8	40.8	41.4	41.3	42.5
China	97.5	103.8	99.5	150.4	155.0	156.6	182.1	182.2	184.5	429.9	441.0	440.5
India	68.6	69.4	73.5	33.4	32.1	34.4	137.7	135.2	137.0	239.7	236.6	244.9
Indonesia	0.0	0.0	0.0	12.5	11.6	12.4	54.2	54.4	53.1	66.7	66.0	65.5
Pakistan	21.6	22.0	22.0	3.5	3.8	3.1	8.3	8.1	8.4	33.4	33.9	33.5
Thailand	0.0	0.0	0.0	3.7	4.0	4.2	30.3	29.4	30.2	34.0	33.5	34.4
Viet Nam	0.0	0.0	0.0	3.8	3.8	3.6	35.8	35.8	36.0	39.5	39.6	39.6
Near East	48.2	47.7	47.8	21.3	20.8	20.8	4.6	5.0	5.0	74.1	73.5	73.6
Iran (Islamic Republic of)	14.5	14.5	13.8	4.4	5.2	4.7	3.3	3.6	3.6	22.2	23.3	22.1
Turkey	20.5	20.5	20.2	13.4	12.3	12.7	0.5	0.6	0.6	34.5	33.4	33.4
CIS in Asia	23.3	24.2	24.8	4.2	4.7	4.6	0.6	0.7	0.7	28.2	29.6	30.0
Kazakhstan	11.5	13.7	13.8	2.2	2.5	2.5	0.3	0.3	0.3	14.0	16.5	16.5

Note: Totals computed from unrounded data.

good soil moisture. Last year drought had caused significant damage to crops and livestock and some people in the north had abandoned their villages in search of food and water. This year's cereal output is tentatively forecast at about 4.9 million tonnes, nearly 1 million tonnes up on last year's drought-reduced harvest. In **Iraq**, however, satellite based imagery indicates that agrometeorological conditions during November-February were unfavourable, being rather too dry, for satisfactory development of crops. Due to continued conflict and displacement, the food security situation in the country remains extremely fragile. Recent events indicate a rise in humanitarian needs due to increased displacements. The UN and other international agencies are monitoring the situation and providing assistance as needed. The food situation in the **West Bank** and the **Gaza Strip** also gives cause for serious concern.



Asian CIS

Favourable moisture conditions augur well for the 2007 cereal production

Above-average winter precipitation and good snow cover in the mountainous areas throughout the subregion should ensure ample soil and irrigation water supplies for development of crops that are now coming out of their winter dormancy and for the spring cereals still to be sown. Relatively warm temperatures have also been favourable for this year's winter crops. With the exceptions of Kazakhstan, the single largest producer in the region, winter cereals are the most important crops in the region. Winter cereals in **Kazakhstan** account for less than 5

percent of the total output, where land is not a constraint and extensive cultivation is common under rainfed conditions. Yields, are, therefore, lower in Kazakhstan than other countries in the subregion, accounting for more than 77 percent of the total area planted with cereals but less than 55 percent of the total output. In other countries of the subregion cereals are mainly cultivated under irrigated systems with significantly higher yields. The aggregate winter cereal harvest in 2007 is forecast at about 11.8 million tonnes, nearly 400 000 tonnes up on last year. Wheat is the most important staple crop in the region and makes up a large part of the daily diet. Wheat, winter and spring, accounts for about 83 percent of the total annual cereal production in the subregion.

Latin America and the Caribbean

Central America and the Caribbean

Good 2007 wheat crop. Increased maize imports in 2006/07

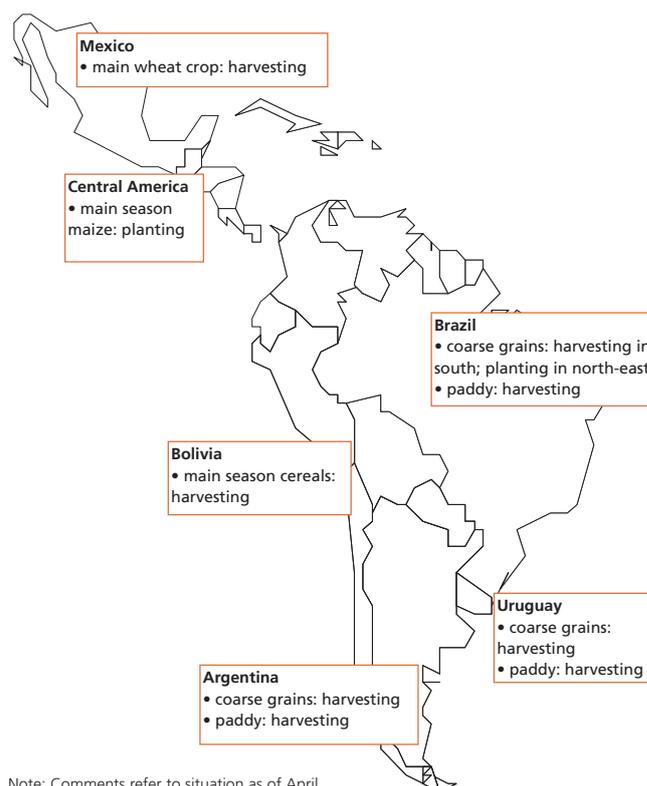
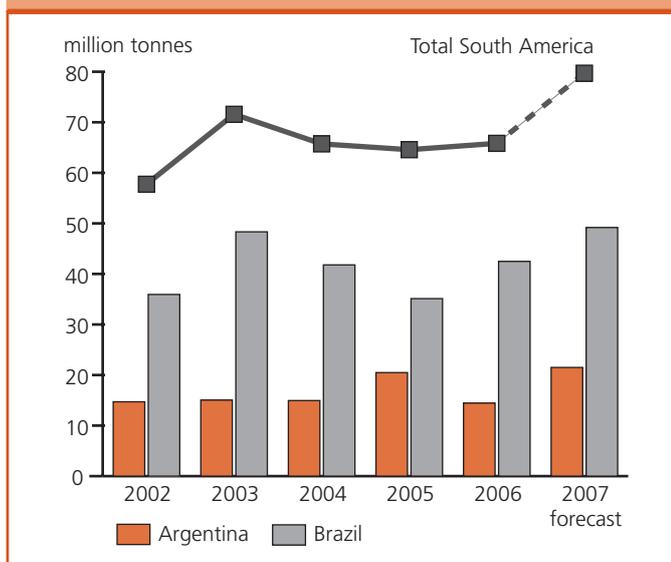
Harvesting of the 2007 main winter wheat crop is about to start in Mexico, virtually the sole producer in the subregion. Early official forecasts point to a good production of some 2.9 million tonnes, very similar to the same season of previous year, reflecting adequate availability of irrigation water in north-western producing states of Sonora and Baja California.

Planting of the 2007 main season coarse grains and paddy crops is expected to start at the beginning of May with the arrival of first seasonal precipitation in Mexico and other Central American and Caribbean countries. In the subregion,

the 2007 planted area is tentatively forecast at an average level, including 9.3 million hectares of maize, 2 million hectares of sorghum and 710 000 hectares of paddy. Early forecasts put the 2007 aggregate cereal crop at a very good level of 38.4 million tonnes. In Mexico, despite a good 2006 maize production, commercial imports in marketing year 2006/07 (July/June) are expected to reach a record level of 8 million tonnes in order to boost supply and reduce domestic prices of white maize and "tortillas", which have reached their highest level in the last ten years.

In Cuba, harvesting of sugar cane, the main agricultural export, is underway and early estimates point to a national output of raw sugar of 1.6 million tonnes, which positively reverts the trend of the last 15 years when production declined from 8 millions tonnes in 1990 to only 1.2 million tonnes in 2006.

Figure 2. South America maize production



Note: Comments refer to situation as of April.

South America

Bumper 2007 maize harvest. Severe floods in Bolivia

Harvesting of the 2007 main season coarse grain crops is underway. Preliminary estimates indicate a record aggregate production of about 89 million tonnes, 20 percent above last year's good crop and the average of the last five years. This is due to a widespread increase in both area planted and yields. The subregion's aggregate maize area has increased some 5 percent in response to strong demand for ethanol production. In Argentina, despite some delay in harvesting operations due to abundant rains during the second week of March, yields of maize are expected to be record at 7.7 tonnes per hectare. Record average yields of 3.7 tonnes per hectare are also expected in Brazil, with peaks above 9 tonnes per

hectare in the key growing state of Parana. High international prices, due to the strong US demand for ethanol, are inducing Brazilian farmers to increase plantings of the second season winter maize crop, called *safrinha*, which are expected to cover a record area of almost 3.8 million hectares. Harvesting of the 2007 main rice crop is underway and aggregate production of paddy is tentatively forecast at an average level of 22 million tonnes.

In the Andean countries, adverse weather conditions have affected food and cash crops in Bolivia and parts of Peru. In Bolivia, several climatic events since the end of 2006, have

Table 6. Latin America and Caribbean cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
Latin America & Caribbean	23.6	22.2	22.7	103.5	105.8	121.7	26.4	24.8	24.6	153.5	152.9	169.0
Central America & Caribbean	3.0	3.2	3.0	30.2	31.6	32.9	2.3	2.5	2.5	35.5	37.2	38.4
Mexico	3.0	3.2	3.0	26.2	27.5	28.8	0.3	0.3	0.4	29.5	31.1	32.2
South America	20.6	19.0	19.7	73.3	74.2	88.8	24.1	22.4	22.1	118.0	115.6	130.6
Argentina	12.6	13.7	13.4	24.5	18.1	25.8	1.0	1.2	1.1	38.0	33.0	40.3
Brazil	4.7	2.4	3.5	37.7	44.8	51.6	13.2	11.6	11.3	55.6	58.8	66.3
Colombia	0.0	0.0	0.0	1.7	1.5	1.6	2.5	2.3	2.5	4.2	3.8	4.1

Note: Totals computed from unrounded data.

seriously affected all nine departments with floods and landslides in the midlands and lowlands (departments of Santa Cruz, Cochabamba, Beni, Chuquisaca Tarija and Pando) as well as drought, hail storms and frost in the highlands (departments of Oruro, Chuquisaca, Potosí and La Paz). The Government of Bolivia has declared a national emergency and appealed for international assistance. Agricultural losses of the main summer season crops, normally to be harvested from mid-March to May, are provisionally estimated at about 200 000 hectares of crops (mainly soybean) and some thousands of heads of cattle. The food security situation of most vulnerable rural communities, already entering the lean period, is expected to deteriorate in the coming month as a consequence of

severe crop losses, rising food prices and shortage of seeds. In view of the unfavourable crop prospects, an FAO/WFP Crop and Food Supply Assessment Mission is planned, in order to make a comprehensive assessment of agricultural damage and emergency assistance needs.

In Peru, unexpected frost and hailstorms in mid-February in mountain areas have affected cereal and potato crops to be harvested from April-May. The worst affected departments are Huancavelica, Junín, Ayacucho, Apurímac and Puno, where several districts have been declared in a state of emergency. Unofficial sources report that about 100 000 hectares of crops have been lost or damaged, mainly potatoes, white maize and barley.

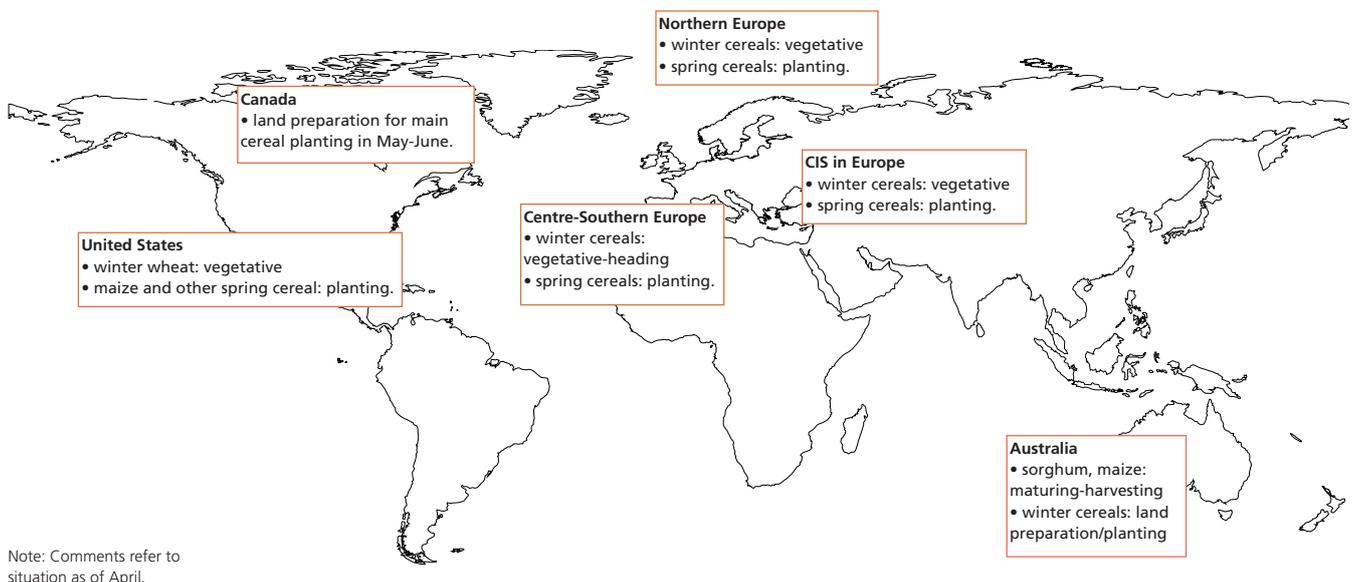
North America, Europe and Oceania

North America

United States' wheat crop outlook remains favourable and maize planting starts well

Prospects for the United States' 2007 wheat crop remain generally favourable. The area sown to winter wheat increased by 9 percent from the previous year, to some 17.8 million hectares, and the condition of crops as of mid-March in the major producing areas was reported to be much better relative to last year's drought-affected stands. Based on the satisfactory condition of the winter crops and expectations of an about-average spring wheat area, the overall harvested area could be up by 9 percent compared to 2006 and with good yields also expected, the United States' wheat production could recover sharply to about 59 million tonnes in 2007, almost 20 percent up from the reduced 2006 output. Regarding coarse grains, as

of mid-March, planting of the major maize crop was reported to be off to a good start in southern parts. Higher returns anticipated from maize relative to soybeans and other crops, largely because of strong demand for ethanol production, are expected to encourage a sharp increase in plantings to about 35 million hectares, from 31 million hectares in the previous year. At this early stage, assuming average seasonal conditions and moderate yields, the maize output is forecast to rise to at least 285 million tonnes, 6 percent up from the previous year's crop. In Canada, with the bulk of the cereal crops still to be sown this spring (March-April), the outlook remains largely unchanged from earlier reported. The main wheat crop area is expected to be reduced sharply with farmers shifting land into specialist durum wheat production, barley or canola oilseed. The expected planting decisions reflect relatively better returns expected for the latter crops in 2007/08, as well as a technical need for crop rotation after a relatively large wheat area in 2006.



Europe

Prospects for the 2007 grain crops remain mostly favourable and aggregate output should increase, especially for wheat

The outlook for the 2007 cereal production in the **European Union** remains mostly favourable, with the exception of some dry southern parts. Warmer than usual weather has continued to promote vegetative growth ahead of the normal pace in many countries, which should be beneficial for crop yields providing weather conditions remain satisfactory. However, the exceptionally advanced state of growth makes crops more vulnerable than usual to any weather excesses in the coming weeks. The main exceptions to the generally satisfactory condition in most of the EU are in some southern parts. In **Italy**, the winter has been particularly dry and hot, which leads to concern over available soil and irrigation water supplies this spring. Also in **Hungary**, although the winter weather has been mostly favourable, moisture supplies remain limited after last year's long dry spell and more rains are needed. In **Greece**, a minor producer in the EU, the winter cereal area was increased sharply this year to make up for reduced production in 2006 and reflecting a shift away from some traditional non-cereal crops. However, exceptionally dry conditions and lack of snow in the mountains gives rise to serious doubt over the availability of moisture during the rest of the growing season.

Based on latest information, the aggregate cereal crop of the EU27 could amount to more than 280 million tonnes

in 2007, some 4 percent above the aggregate output of the 27 countries in 2006. Output of wheat is forecast to rise by 3.3 percent to about 131 million tonnes, while that of coarse grains is tentatively forecast to increase by 5 percent to about 147 million tonnes.

In the **European CIS** (The Russian Federation, The Ukraine, Belarus and Moldova), winter cereal crops are in good condition and winterkill, normally accounting for more than 10 percent of the planted area, is particularly low this year, following an unusually warm winter. Favourable weather conditions and adequate soil moisture have prompted some farmers in the southern parts of the region to plant spring cereals nearly a month ahead of schedule. Although the unusual seasonal conditions, with mild temperatures and limited snowfall, rendered the winter crops highly vulnerable to any sudden cold spells during the past few weeks, the weather conditions in February and March so far have been, by and large, favourable and no significant frost or crop damage have been reported. The aggregate area planted with winter cereals in the region for the 2007 harvest is about 20.2 million hectares, about 2 million hectares up on last year. Winter cereals account for about one-third of the total area planted with cereals in the region and there are recent indications of a trend towards an increased share of land devoted to winter cereals. The aggregate 2007 winter cereal production in the region is forecast at about 55.2 million tonnes, compared with 49 million tonnes last year. This forecast includes some 46.4 million tonnes of wheat and 3.2 million tonnes of barley.

Table 7. North America, Europe and Oceania cereal production (million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total Cereals		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
North America	84.1	76.6	83.7	325.4	304.0	329.6	10.1	8.8	9.2	419.6	389.4	422.5
Canada	26.8	27.3	24.7	26.3	23.6	29.2	0.0	0.0	0.0	53.0	50.9	53.9
United States	57.3	49.3	59.0	299.1	280.4	300.4	10.1	8.8	9.2	366.5	338.5	368.5
Europe	207.6	191.7	201.3	214.5	209.3	215.9	3.4	3.5	3.5	425.5	404.5	420.7
EU ¹	124.0	118.3	131.0	134.4	128.3	147.4	2.7	2.6	2.8	261.2	249.2	281.2
Romania ²	7.3	5.3	0.0	11.5	9.9	0.0	0.0	0.0	0.0	18.8	15.3	0.0
Serbia	2.0	1.9	2.0	7.5	6.1	6.2	0.0	0.0	0.0	9.5	7.9	8.1
CIS in Europe	68.5	60.5	65.8	53.4	57.5	57.1	0.7	0.8	0.7	122.5	118.8	123.6
Russian Federation	47.7	44.9	46.0	28.3	31.1	29.9	0.6	0.7	0.7	76.5	76.7	76.5
Ukraine	18.7	13.9	17.7	18.7	20.1	20.2	0.1	0.1	0.1	37.4	34.1	38.0
Oceania	25.4	10.1	25.3	15.0	7.7	12.8	0.3	1.1	0.1	40.8	18.9	38.2
Australia	25.1	9.8	25.0	14.5	7.1	12.2	0.3	1.0	0.1	39.9	18.0	37.3

¹ EU-25 in 2005, 2006; EU-27 in 2007.

² In 2007 included in EU-27.

Note: Totals computed from unrounded data.

Oceania

Australia drought affects summer grain production but 2007 winter crop should rebound

The severe drought that affected winter grain production in 2006 continued over the summer, with an adverse impact also on the 2007 summer grain crops. The main summer grain is sorghum, and reflecting the reduced area planted, because of the dry conditions, and the poor yields in prospect, production is forecast to decline by about 50 percent to just 1 million tonnes in 2007. Looking ahead to the 2007 winter grain season, the latest outlook

from the Australian Bureau of Meteorology indicates that the 2006/07 El Niño has ended, but cautions that this doesn't imply an immediate recovery from drought conditions. The severely depleted water reserves in some areas could require several years of normal rainfall to recover to satisfactory levels. Nevertheless, there is a good probability of average seasonal conditions for 2007/08 and the winter grain area is expected to recover sharply, by about 15 percent. Wheat could be sown on about 13 million hectares, and output is tentatively forecast to rebound to almost 25 million tonnes, from the 9.8 million tonnes crop harvested at the end of 2006.

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