

Reference Date: 10-March-2011

FOOD SECURITY SNAPSHOT

- Cereals and beans of the 2010 second season have been harvested
- The damages caused by excessive rainfall to bean crops in 2010 led to increased prices in local markets. The prices of cereals are also on the increase
- It is likely that the sowing of crops in the 2011 first season, which will take place in May/June, will continue to be affected by the La Niña phenomenon, with irregular rainfalls at levels above the norm

La Niña will continue to affect the sowing of the 2011 first season crops

It is predicted that the sowing of crops in the 2011 first season, which will begin in April/May, will continue to be affected by the La Niña phenomenon. Although the phenomenon has started to ease off, above average and irregular rainfall is forecast for the months in which the first season's crops are sown.

Excessive rainfall affected the 2010 second season crops

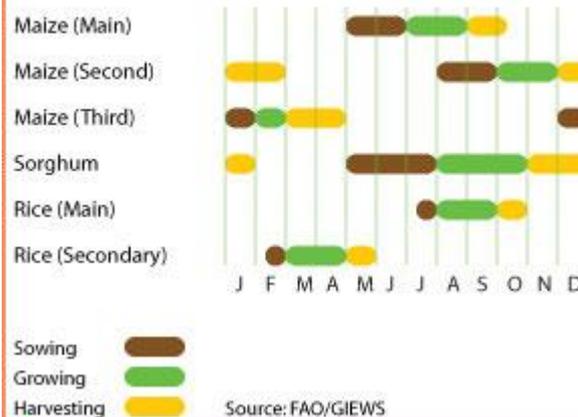
The Secretariat for Agriculture and Livestock reported significant losses of bean crops, the main second season crop, due to the heavy rainfall caused by the passage of tropical storms Agatha and Matthew. The departments most affected were Olancho, Paraíso, Comayagua, Colón, Choluteca, Valle, Francisco Morazán, La Paz, Santa Bárbara and Intibucá.

The 2010/11 third (secondary) "apante" crop season is being harvested. Weather conditions were favourable for the development of crops in the departments of Olancho, El Paraíso, Comayagua, Cortés, Yoro and Francisco Morazán. However, satellite images of the department of Olancho indicate below average crop conditions at the end of February.

Although remaining excessively high, the price of red beans has started to decrease

Prices of rice and maize increased in recent months mainly because of the increase in prices on the international market. The price of beans has showed a downward trend in recent months. However, the price of red beans in March 2011 is 122 percent higher than it was in March 2010. The increase is due to crop losses suffered during the 2010 agricultural campaign in Honduras.

Honduras Crop calendar (*major foodcrop)

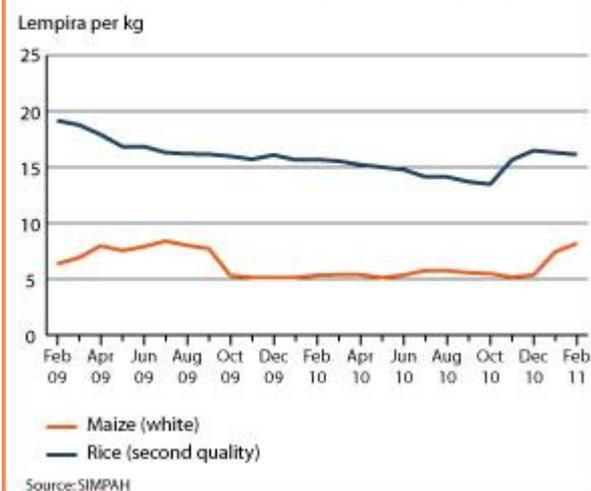


Honduras Cereal production

| | 2005-2009 average | 2009 | 2010 forecast | change 2010/2009 |
|--------------|-------------------|------------|---------------|------------------|
| | 000 tonnes | | | percent |
| Maize | 536 | 520 | 575 | 11 |
| Sorghum | 47 | 52 | 52 | 0 |
| Rice (paddy) | 24 | 28 | 24 | -14 |
| Others | 1 | 1 | 1 | 0 |
| Total | 608 | 601 | 652 | 8 |

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

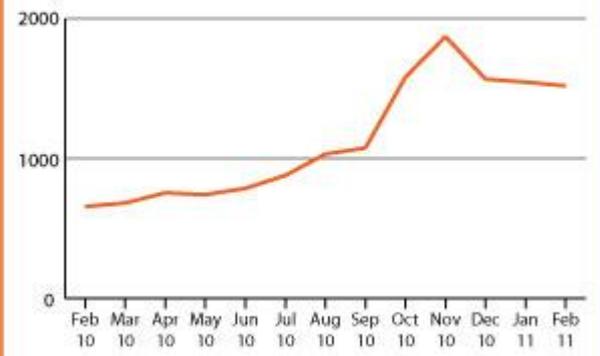
Honduras Selected wholesale cereal prices in Tegucigalpa



Honduras

Wholesale prices of red beans in Tegucigalpa

Lempira



Source: SIMPAH