

Reference Date: 20-May-2014

FOOD SECURITY SNAPSHOT

- Average rice production outlook for the 2014 crop
- Rice prices decrease in the second quarter of 2014 and remain close to their year-earlier values
- Food security conditions are expected to improve this year compared to last year

Rice production in 2014 expected to recover

The 2014 rice output, being harvested, is anticipated to increase above the locust and weather-depressed output of 2013. Climatic conditions have generally been favourable during the current cropping season (November-May) with minimal cyclone impact. However, some dryness and water deficits in southern and southwestern areas are likely to affect the maize crop.

The joint Government/FAO anti-locust campaign, which commenced in 2013, prevented significant damage on the paddy crop. However, damage to crops is still expected in the densely-infested areas. In total, nearly 1 million hectares have been treated with chemical pesticides, bio-pesticides and insect growth regulators. The first phase of the anti-locust campaign is expected to run until August this year.

Overall, the rice output is forecast at about 4.3 million tonnes, close to the short-term average.

Large volumes of rice imported following reduced 2013 harvest

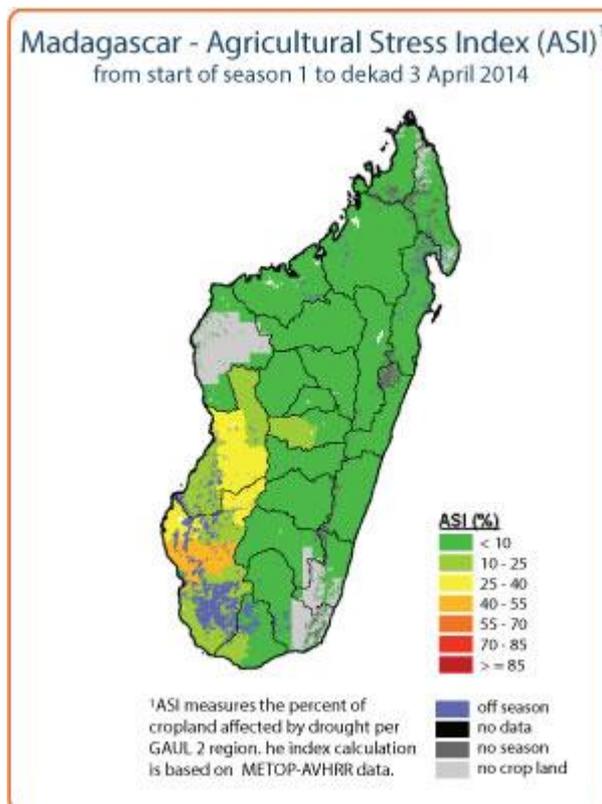
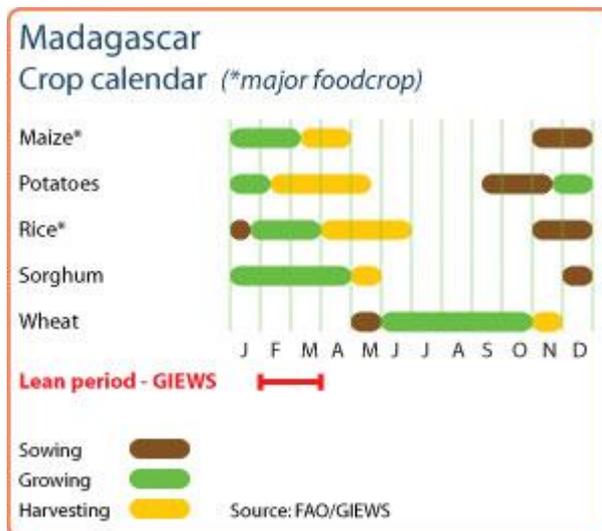
Substantial volumes of rice were imported in 2013 and the first quarter of 2014, to bridge the larger supply gap following the sharp reduction in the domestic output last year. Approximately 400 000 tonnes were imported in the 2013 calendar year, twice the level recorded in 2012, while already, imports have been estimated at close to 200 000 tonnes in the first quarter of 2014. However, with production expected to recover this year, the import pace is anticipated to ease in the coming months.

Rice prices decline from their peaks earlier in 2014

Following a peak in February 2014, prices of imported and domestic rice have been on a downward trend until May. The reduced domestic output last year put strong upward pressure on prices in 2013 contributing to their elevated levels at the start of the year. However, substantial volumes of rice imports helped stabilize national supplies and partly mitigated the impact of the low harvest, lessening further pressure on prices. At MGA 1 240 (imported) and MGA 1 197 (domestic) per kg, rice prices at the start of May were slightly below their year-earlier levels. By contrast, cassava prices have increased this year as production shortfalls caused tighter market supplies, applying strong upward price pressure.

Food security conditions expected to improve in 2014

As a result of the reduced domestic cereal output last year, food security deteriorated and was further compounded by rising food prices and the



impact of the cyclones. Based on the results from the 2013 Crop and Food Security Assessment Mission, approximately 28 percent of rural households suffered from food insecurity, translating into about 4 million people in the 20 surveyed regions (excluding Diana and Sava). Conditions are expected to recover in most regions from May onwards, as food availability (new supplies from the 2014 harvest) and access (decreasing rice prices) improves. However, the expected poor production in some southern parts is likely to result in a continuation of a tight food security situation while an estimated 14 000 households require food assistance following the impact of cyclone Hellen in March/April 2014.

Madagascar

Cereal production

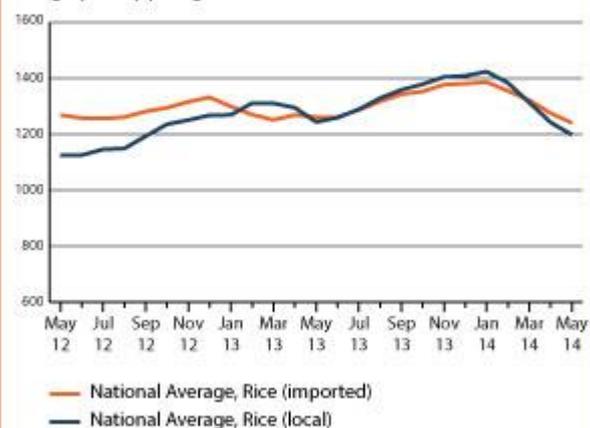
	2009-2013 average	2013	2014 forecast	change 2014/2013
	000 tonnes			percent
Rice (paddy)	4 348	3 611	4 300	19
Maize	413	455	400	-12
Wheat	10	10	10	0
Others	1	1	1	0
Total	4 772	4 077	4 711	16

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

Madagascar

Retail prices of rice

Malagasy Ariary per Kg



Source: Observatoire du Riz