The 2014 main season harvest forecast slightly below last year’s record level

Harvesting of the 2014, mostly irrigated, main season paddy crop, accounting for about 55 percent of the annual production, is currently underway and will continue until mid-December. Latest official forecasts put this season’s rice output at 10.7 million tonnes, slightly below the corresponding season of last year. The small decrease in production is attributed to a 2 percent contraction in planted area, mainly as a result of lower-than-normal precipitations between April and mid-May, which hindered somewhat sowing activities. Assuming an average secondary season harvest, to be planted from mid-October onwards, FAO tentatively forecasts the 2014 aggregate rice production at 18.6 million tonnes, marginally below last year’s record level.

Harvesting of the 2014 main season maize was completed by mid-September. FAO forecasts the 2014 maize production, including the 2014 main and the forthcoming secondary seasons, at 7.6 million tonnes, up 4 percent from last year’s bumper level.

Cereal imports in the 2014/15 marketing year forecast to decrease from last year’s record level

Cereal imports for the 2014/15 marketing year are forecast at 5.5 million tonnes, 5 percent down from last year’s record level and 23 percent above the previous five-year average. Imports of wheat (which is not produced domestically) are projected to decrease slightly from last year’s high level and reach 3.4 million tonnes in the 2014/15 marketing year (July/June). Rice imports in 2014 are expected to more than double the level of the previous year and reach 1.8 million tonnes, reflecting Government efforts to stabilize domestic prices and restore public stocks. In 2015, rice imports are forecast to decrease by 6 percent compared to the level of 2014 and reach 1.7 million tonnes.

Prices of rice stable in September but at record levels

The national average prices of regular and well-milled varieties were stable in September, mainly reflecting the onset of the 2014 main season harvest. However, prices remain at record levels after steady increases since November 2013 on account of lower stocks, following reduced imports in the previous months. In an attempt to stabilize prices, the National Food Authority (NFA) is currently importing 500 000 tonnes of broken rice, to be delivered between 15 October and 15 December, through a Government-to-Government (G2G) deal from Thailand and Viet Nam. The latest available official data indicates a
4.7 percent year-on-year increase in the Consumer Price Index (CPI) in September 2014.

Food insecurity concerns remain due to high prices and for the population affected by several typhoons/cyclones

Overall, food security in the country is considered satisfactory following consecutive years of good harvests. However, severe typhoons/cyclones hit the country regularly, causing widespread devastation, loss of life and severe damage to the agricultural sector. The high prices of main staple rice are also a contributing factor for food insecurity, especially of the low-income households.