**FOOD SECURITY SNAPSHOT**
- Insufficient rains in key producing areas during planting and crop development constrained maize production in 2020
- Cereal exports forecast to decline in 2020/21 due to reduced maize output
- Food insecurity expected to deteriorate due to economic slowdown instigated by COVID-19 pandemic and containment measures

**Below-average maize production anticipated due to insufficient rains**

Harvesting of the main season maize crop started in mid-June and is expected to conclude by the end of August 2020. The main season maize crop was planted in January and February, with the bulk being planted in Alto Paraná, Canindeyú and Caaguazú departments. Below-average rainfall amounts during the February-April period in the major producing departments caused severe soil moisture deficits and adversely impacted planting operations and early crop development. Improved rains in May and June were insufficient to recover crop yields. The planted area, which was on the rise during the last five years due to good financial gains for farmers and favourable weather conditions, is estimated to have reduced for the first time in five years reflecting the dry weather conditions during planting and crop development. Maize production in 2020, including the already harvested minor crop that accounts for less than 10 percent of the annual production, is anticipated at 4.8 million tonnes, nearly 10 percent below the previous five-year average and 14 percent lower than previous year’s bumper crop.

The 2020 wheat crop, planted in the May-July period, is currently at vegetative stages in the key producing southeastern region and overall crop conditions are favourable. Weather forecasts indicate a high likelihood of the below-average rainfall in the August-September period, which is likely to affect the crops at the grain filling stage impacting the yields. The 2020 wheat production is preliminary forecast at an average level of 1.1 million tonnes.

Harvesting of the 2020 paddy crop, mostly irrigated, concluded in May. Production is estimated at 1.1 million tonnes, about
20 percent above the previous five-year average. Bumper output mainly reflects above-average planted area and good yields, boosted by favourable weather conditions in the November 2019-January 2020 period and ample supplies of irrigation water.

To improve farmers cash flow in the 2020/21 cropping season, the Ministry of Agriculture disbursed GYP 222 billion (about USD 32 million at the exchange rate of 10 August 2020) worth of agricultural credits to about 23,000 agricultural producers as of 10 August.

Exports of cereals forecast to decline in 2020/21 due to reduced maize output

Cereal exports in the 2020/21 marketing year (July/June) are forecast at an above-average level of 3.7 million tonnes but below the last year’s high levels reflecting the significant maize production shortfall in 2020.

Food insecurity expected to deteriorate due to economic slowdown instigated by COVID-19 pandemic

With one of the lowest infection rates of COVID-19 in the subregion as of early August, the country enforced confinement measures for relatively a short period (i.e. less than two months). However, the economic effects of the COVID-19 pandemic and related containment measures are expected to result in a negative GDP growth in 2020, leading to a rebound of the poverty rate after having declined for last 10 years. Food security situation in the country is likely to deteriorate in 2020 due to income losses associated with the economic downturn.

In order to mitigate the negative effects of the pandemic, the Government expanded social protection measures under the Economic Emergency Law since the COVID-19 outbreak. As of 11 August 2020, the Government allocated USD 200 million to the self-employed or employees of micro, small and medium enterprises and USD 80 million to the vulnerable households.

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Paraguay

Cereals Exports

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<th>2019/20</th>
<th>2020/21 forecast</th>
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<td>Average 2015/16</td>
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Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).