Cereal production in 2018 forecast at lowest level in more than a decade due to drought

Cereal production in 2018 is forecast at 2.8 million tonnes, 21 percent below the average of the past five years and the lowest level since 2007. The decline mainly reflects the impact of drought on the summer season. Harvesting of the 2018 summer season crops was completed in May and output was reported to be reduced due to the drought between December 2017 and March 2018. Furthermore, excessive rainfall in May delayed harvesting operations and reduced crop quality. Official estimates put outputs of maize and sorghum at 309,000 tonnes and 76,000 tonnes, 43 and 71 percent lower than their averages of the last five years, respectively. In the case of maize, despite an increase in area sown, the yield was adversely affected by the drought. By contrast, rice output was not affected by the drought as severely as other summer season crops, as it is grown under irrigated conditions. Output of rice in 2018 is forecast at 1.3 million tonnes, 6 percent down from the average of the past five years on account of the reduced area sown and the delayed planting of the second season paddy due to low temperatures in February.

The 2018 winter season crops such as wheat, barley and oats are currently in the development stages. The 2018 wheat production is forecast at 520,000 tonnes, 48 percent down from the average of the past five years, although 18 percent higher than last year’s output due to the increased area sown. Planting operations were moderately delayed due to wet conditions, however, the weather has been generally favourable during the growing season so far.

Cereal exports in 2018/19 expected below average because of reduced domestic availability

Total cereal exports in the 2018 marketing year (April/March) are forecast at a below-average level of 1.1 million tonnes on account of the expected drought-reduced production in 2018. By contrast...
and for the same reason, cereal imports, in particular those of maize, are expected to increase to meet the sustained demand for feed use.

**Wheat flour and rice prices higher than their year-earlier levels**

Domestic prices of wheat flour have been increasing in recent months on account of the increased oil prices and tighter domestic supplies and, in early August, were higher than their year-earlier levels. Prices of rice have been stable since the beginning of 2018 but were 20 percent higher in July year-on-year.

**Uruguay**

**Cereals exports**

000 tonnes

![Chart: Cereals exports](chart)

<table>
<thead>
<tr>
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<th>Average 2012/14-2017/18</th>
<th>2017/18</th>
<th>2018/19 forecast</th>
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<tbody>
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<td></td>
<td>1800</td>
<td>1400</td>
<td>1200</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).


**Uruguay**

**Wholesale wheat flour and rice prices**

![Chart: Wholesale wheat flour and rice prices](chart)

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Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.