FOOD SECURITY SNAPSHOT

- Cereal production declined in 2016
- Rice exports forecast to increase in 2017
- Domestic prices of rice increased in November

Cereal production declined in 2016
FAO forecasts the 2016 aggregate paddy production at 43.9 million tonnes, 3 percent below the 2015 record. Low irrigation water availabilities, following below-average rains during the rainy season in 2015 associated with El Niño, resulted in intensified salt water intrusion in the Mekong River Delta (the country’s main rice-producing area), negatively impacting on the winter/spring crop, harvested by June. Latest official estimates put the 2016 winter/spring paddy output at 19.4 million tonnes, 6 percent below the same season last year. Favourable weather conditions benefitted the secondary summer/autumn crop, gathered by October, which is estimated by FAO to have increased by 3 percent to a record level of 15.4 million tonnes. The minor winter paddy crop, currently harvested, was affected by a combination of water shortages or excess rains leading to floods in the northern producing areas and lingering salinity intrusion in the southern provinces. As a result, FAO forecasts the winter paddy at 9.1 million tonnes, a 4 percent decrease on year-on-year basis.

FAO forecasts the 2016 maize output at 5 million tonnes, down 5 percent from 2015, due to a slight area reduction and lower yields, following dry conditions in the first part of 2016.

Rice exports forecast to increase in 2017
FAO forecasts rice exports in calendar year 2017 at 7.1 million tonnes, up 10 percent from last year’s level. The anticipated increase primarily rests on expectations of increased demand from its largest buyer, China, but also larger shipments to the Philippines.

Cereal imports consist mostly of wheat and maize. During the 2016/17 marketing year (July/June), wheat imports are forecast to increase by 9 percent to 3.2 million tonnes, reflecting higher domestic demand for both high-quality wheat for milling and low-quality wheat for animal feeding. Similarly, maize imports are set to increase strongly by 18 percent from the previous year, to 9 million tonnes, reflecting increased demand from the feed industry.
Domestic prices of rice increased in November

Wholesale prices of rice, the main staple food, increased in November underpinned by harvesting delays due to heavy rains in the Mekong River Delta. However, prices remained below their year-earlier levels.