



Crop Prospects and Food Situation

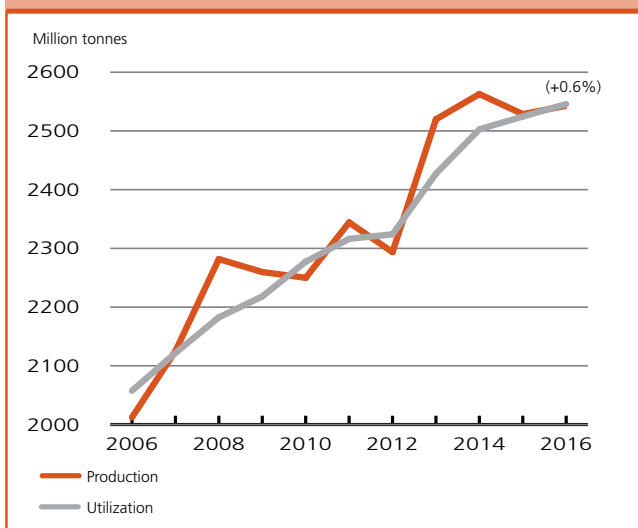
HIGHLIGHTS

- Global cereal production prospects continue to improve although latest forecasts indicate that world cereal output in 2016 would still fall slightly short of the projected demand in 2016/17.
- **COUNTRIES IN NEED OF EXTERNAL ASSISTANCE:** FAO estimates that 37 countries, including 28 in Africa, are in need of external assistance for food. Persisting conflicts, acutely undermining agricultural capacities and drought-induced production declines, frequently linked to the now dissipating El Niño, are the main causes stressing food security in 2016.
- **AFRICA:** The early aggregate outlook for the 2016 cereal crops points to a fall in production, mostly resulting from expected drought-reduced harvests in North and Southern Africa. In Central and West Africa, 2016 early crop prospects are uncertain, largely due to unfavourable weather and conflicts, while the overall outlook improved in East Africa, on account of recent favourable rains that eliminated early seasonal dryness.
- **ASIA:** The outlook for 2016 points to a production recovery in the Far East, with a steep increase foreseen in India expected to more than offset a cut in China's output. By contrast, cereal outputs are likely to fall in the Asian CIS subregion and in the Near East, where several countries continue to be severely affected by conflicts.
- **LATIN AMERICA AND THE CARIBBEAN:** Aggregate cereal production in 2016 is forecast to decline on expectations of reduced crops in the key-producing countries of Brazil and Mexico, but still remain above average, mostly owing to a larger output anticipated in Argentina. Production recoveries from the 2015 drought-reduced levels are foreseen in Central America and the Caribbean countries.

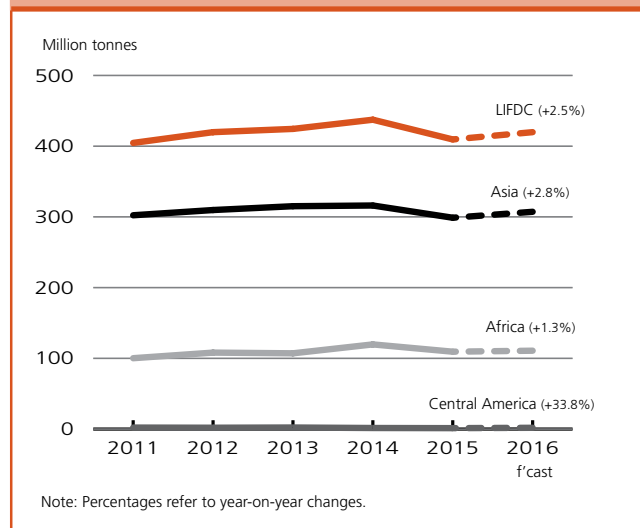
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Global production prospect in 2016 improve, but forecast output remains just shy of projected 2016/17 demand

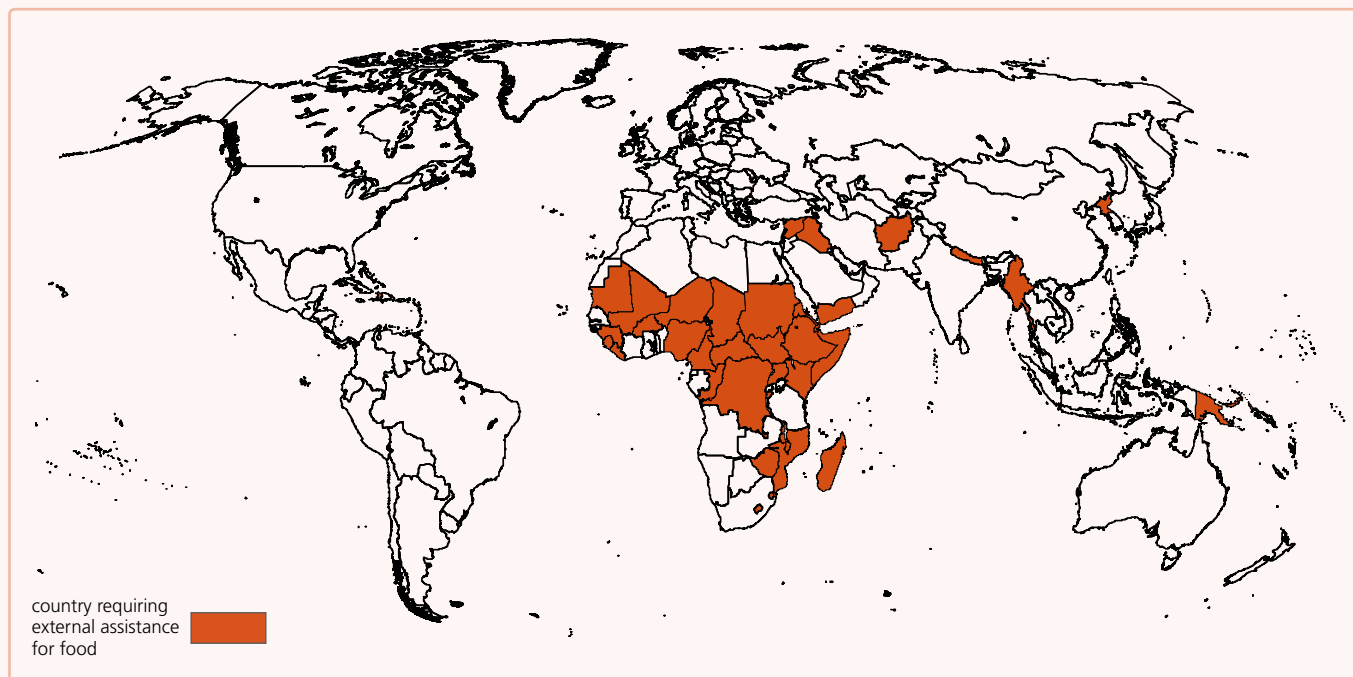


LIFDC cereal production expected to partially recover in 2016, mostly owing to larger crops in Asia



Countries requiring external assistance for food¹

World: 37 countries



AFRICA (28 countries)

EXCEPTIONAL SHORTFALL IN AGGREGATE FOOD PRODUCTION/SUPPLIES

Central African Republic

Conflict, displacements and constraints in available supplies

- The Internally Displaced Person (IDP) caseload declined from 452 000 in January 2016 to 419 000 in April, but it is still higher than in August 2015, when it was estimated at 378 000, before the resurgence of inter-communal violence.
- As of March 2016, 1.5 million people are estimated to be in need of urgent humanitarian assistance, 18 percent more than in April 2015.
- The significant tightening of food supplies has driven up prices.

Zimbabwe

Drought-affected 2016 production

- The El Niño-induced drought resulted in a sharp decrease in the 2016 cereal production, which follows an already below-average 2015 output. The livestock sector has also been severely affected.
- The number of people who require assistance is estimated at 2.8 million.

WIDESPREAD LACK OF ACCESS

Chad

Large caseload of refugees puts additional pressure on local food supplies

- Over 377 000 refugees, 94 000 IDPs, as well as the return of an estimated 80 000 Chadians, continues to add pressure on local food supplies, negatively affecting food security.
- Over 1 048 000 people are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis.

Democratic Republic of the Congo

Conflict and displacements in eastern provinces

- As of late March, the IDP caseload was estimated at 1.8 million, 300 000 up from December 2015. About 781 000 IDPs are located in Nord-Kivu, with the rest mainly residing in Sud-Kivu, Maniema, and the former Katanga Province. An estimated 4.5 million people are in need of urgent humanitarian assistance in Eastern and Southern conflict-affected provinces (September 2015).

Influx of refugees straining on the already limited resources of host communities

- As of late March, refugees from the CAR, mainly hosted in the northern Equateur Province, were estimated at about 112 800.
- As of mid-March, refugees from Burundi, mainly hosted in Sud-Kivu province, were estimated at about 22 000.

Impact of floods

- Torrential rains in the last quarter of 2015 and in the first quarter of 2016 resulted in floods which affected more than 770 000 people, caused the displacement of 40 000 individuals and damaged about 5 500 hectares of crop land.
- Destruction of food stocks has also been reported. The most affected areas are located along the river Congo Basin and in the former Katanga Province in the south.

Djibouti

Inadequate pasture availability due to consecutive unfavourable rainy seasons

- About 230 000 people are severely food insecure, mainly in pastoral southeastern areas and in the Obock Region.

Eritrea

Vulnerability to food insecurity due to El Niño-related drought and economic constraints

Ethiopia*Impact of severe drought on livestock and crop production*

- About 10.2 million people are severely food insecure, mainly in eastern areas of Oromia, Amhara and Tigray regions as well as in Afar and northern Somali regions.
- In April, a revision of the Priority Hotspot woreda classification was issued by the Government, increasing the number of priority 1 woredas from 186 at the end of last year to a new total of 219.

Malawi*Sharply reduced cereal production in 2016*

- Maize production in 2016 is estimated at a well below-average level of 2.4 million tonnes, due to dry conditions that affected large parts of the Central and Southern regions.
- Despite declining seasonally from their record highs of February, maize prices remain significantly above their year-earlier levels, constraining food access and aggravating food insecurity.
- The number of people requiring assistance is estimated at 2.9 million.

Niger*Recurrent severe food crisis*

- About 677 600 people are estimated to be in Phase 3: "Crisis" and above according to the last "Cadre Harmonisé" analysis.
- Approximately 60 000 Malian refugees are estimated to be living in the country.
- Almost 59 000 people in the southeast Diffa Region have been displaced due to fear of attacks.

Nigeria*Nationwide economic downturn, population displacements and insecurity in northern areas*

- About 2.2 million people have been internally displaced due to the continued conflict in the northern part of the country.
- About 3.4 million people, located mostly in Borno and Yobe, are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis.
- A recent sharp depreciation of the naira on the parallel market, coupled with persisting civil conflict in northern Nigeria, has contributed to sharp food price increases.

South Sudan*Conflict, civil insecurity and severe economic downturn*

- Over 4.4 million people are severely food insecure, mainly in the conflict-affected states of Jonglei, Unity and Upper Nile, but also in Northern Bahr el Ghazal State due to insecurity, trade disruptions and high market prices.

SEVERE LOCALIZED FOOD INSECURITY**Burkina Faso***In spite of the generally favourable food supply situation, the country continues to host a large number of refugees from neighbouring Mali*

- Over 33 000 Malian refugees are estimated to be living in the country.
- About 233 300 people are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis.

Burundi*Civil insecurity and economic downturn*

- Disruption to markets, farming activities and livelihoods, coupled with limited humanitarian assistance and declining food import capacity, continue to seriously affect food security conditions of households, especially in Kirundo, Muyinga, Rutada and Makamba provinces, as well as rural areas near Bujumbura.

- About 690 000 people are estimated to be severely food insecure.

Cameroon*Influx of refugees exacerbating food insecurity of the host communities*

- The number of refugees from the Central African Republic (CAR), who mainly entered East, Adamaoua and North regions, was estimated at 259 000 in mid-March 2016. About 65 000 refugees from Nigeria have entered the Far North and North regions since May 2013.
- In February 2016, the number of food insecure people was estimated at 2.4 million, more than twice the level in June 2015. The most affected area is the Far North Region.

Population displacement

- Insecurity along the borders with Nigeria has led to the internal displacement of 170 000 persons.

Congo*Influx of refugees straining the already limited resources of host communities*

- As of late March 2016, about 28 600 refugees from the CAR are sheltering in the country.

Guinea*The Ebola Virus Disease (EVD) epidemic is largely contained*

- Ten confirmed cases of the Ebola Virus Disease (EVD) were reported between 17 March and 6 April 2016 in the prefectures of N'Zerekore (nine cases) and Macenta (one case) in southeastern Guinea.
- All neighbouring countries have re-opened their borders with Guinea, which has led to a significant increase in trade flows.
- About 90 700 people are estimated to be in need of food assistance according to the last "Cadre Harmonisé" analysis.

Kenya*Lingering effects of adverse weather on pastoral livelihoods during the first semester of 2015*

- About 640 000 people are severely food insecure, mainly located in pastoral areas where households are recovering from previous unfavourable dry weather conditions, which caused sharp reductions in herd size.

Lesotho*Drought-reduced 2016 production and higher food prices*

- The El Niño-associated drought has adversely affected 2016 agricultural production. High maize prices, reflecting the elevated levels in South Africa, are further constraining food access.
- As a result, almost 535 000 people are food insecure.

Liberia*The EVD epidemic is largely contained*

- Three EVD cases were reported in Liberia between 31 March and 5 April 2016 in the capital, Monrovia.
- The country is hosting about 28 818 refugees as of end-February 2016, most of them from Côte d'Ivoire.
- About 22 400 people are estimated to be in need of food assistance according to the latest "Cadre Harmonisé" analysis.

Madagascar*Drought conditions in southern areas and tighter cereal supplies*

- Successive poor agricultural seasons in southern regions have resulted in severe food insecurity in these areas.
- Nationally, an estimated 1.89 million people are food insecure and conditions are expected to worsen further this year.

Mali

Population displacements and insecurity in northern areas

- About 240 700 people, located mostly in Timbuktu, Mopti and Bamako regions, are estimated to be in Phase 3: "Crisis" and above, according to the last "Cadre Harmonisé" analysis.

Mauritania

Refugee caseload continues to put additional pressure on local food supplies

- About 50 000 Malian refugees remain in southeastern Mauritania.
- Over 93 100 people are estimated to be in Phase 3: "Crisis" and above, according to the last "Cadre Harmonisé" analysis.

Mozambique

Drought affected 2016 production and high food prices

- Dry conditions have adversely impacted 2016 production in most central and southern provinces, while overall tighter supplies and the depreciation of the currency have contributed to high maize prices.
- Currently, an estimated 1.8 million people are food insecure.

Sierra Leone

The EVD has largely been controlled

- Sierra Leone was declared free of the Ebola virus transmission in the human population in November 2015 and trade flows of agricultural commodities to Guinea, Mali and Senegal have been recovering gradually.
- About 420 000 people are estimated to be in need of food assistance according to the latest "Cadre Harmonisé" analysis.

Somalia

Conflict, civil insecurity and localized drought conditions

- About 953 000 people are estimated to be in need of emergency assistance, mainly IDPs and drought-affected agro-pastoral communities in northern regions.

Sudan

Conflict, civil insecurity and high food prices

- An estimated 4 million people are in need of humanitarian assistance, mainly IDPs in conflict-affected areas and pastoral communities.

Swaziland

Cereal production in 2016 forecast to decrease sharply

- El Niño-associated drought has adversely affected the 2016 cereal production prospects and livestock condition.
- Higher food prices, reflecting the elevated levels in South Africa, are also negatively impacting access to food.
- Approximately 300 000 people are food insecure.

Uganda

Below-average crop production

- About 393 000 people in Karamoja region are estimated to be severely food insecure following consecutive unfavourable rainy seasons.

ASIA (7 countries)

EXCEPTIONAL SHORTFALL IN AGGREGATE FOOD PRODUCTION/SUPPLIES

Iraq

Escalation of conflict and large internal displacement

- Over 2 million people have been displaced since January 2014.
- Some 1.8 million beneficiaries (IDPs, non-displaced food insecure in conflict areas and food insecure host families) are receiving food assistance.
- Reduced internal trade and access to stocks held in the areas under ISIL control.

Syrian Arab Republic

Worsening civil conflict

- Agricultural production is significantly affected by conflict.
- About 13.5 million people are in need of humanitarian assistance, with caseloads increasing.
- Although some international food assistance is being provided, Syrian refugees are also putting strain on other host communities in neighbouring countries.
- WFP plans to reach 4.5 million people within the country with food assistance and 2 million people in neighbouring countries.

WIDESPREAD LACK OF ACCESS

Democratic People's Republic of Korea

Impact of drought and floods in 2015

- Poor rains and limited availability of irrigation water reduced the 2015 aggregate food production.
- Government-distributed food rations, which provide the main access to food for 18 million people, were reduced from July 2015.
- Given the tight supplies, the food security situation is likely to deteriorate compared to the situation in previous years, when most households were already estimated to have borderline or poor food consumption rates.

Yemen

Conflict, poverty, and high food and fuel prices

- Around 21.2 million people, 82 percent of the population, require some kind of humanitarian assistance to meet their basic needs or protect their fundamental rights.
- According to the IPC indicative analysis of June 2015, out of the 12.9 million food insecure people (21 percent higher than the previous year), about 6.1 million were in Phase: 4 "Emergency", while 6.8 million were in Phase: 3 "Crisis".
- High risk to crops from increasing locust numbers. The full extent of infestations in the interior is not well known due to difficulties in mounting surveys in insecure and remote areas.

SEVERE LOCALIZED FOOD INSECURITY

Afghanistan

Continuing conflict and population displacement

- Some 2.1 million people are classified as very severely food insecure.
- Over 700 000 people are internally displaced, mostly in Helmand Province.
- About 1.7 million people are targeted with food assistance.

Myanmar

Impact of floods in July-August 2015 and dry weather since November 2015

- Nearly 1.7 million people were displaced by heavy rainfall and the passing of Cyclone Komen in July 2015.
- The floods caused severe damage to productive assets and resulted in a reduction of the 2015 main season paddy production. In the states of Chin and Rakhine, paddy production is estimated to have decreased by up to 16 percent, constraining food access.
- Poor rains, coupled with higher than normal temperatures since November 2015 in the main rice producing areas, including Chin, Rakhine, Magway, Bago, Yangon and Ayerwady, are expected to negatively impact the secondary season rice crop.

Nepal

Lingering impact of the 2015 earthquake and dry weather

- An earthquake struck the country in April 2015, mostly impacting central and western parts and resulting in the loss of nearly 9 000 lives.
- Severe localized production shortfalls were experienced in 2015 due to damage to agriculture from the earthquake, exacerbated by dry weather.
- Despite improved production prospects for 2016, food insecurity persists among vulnerable groups, particularly in the areas most affected by the earthquake

OCEANIA (1 country)**SEVERE LOCALIZED FOOD INSECURITY****Papua New Guinea**

Impact of the prolonged drought, frost and forest fires

- A prolonged El Niño-driven drought and frost in 2015 affected around 2.7 million people.
- Heavy rains in February and March resulted in localized flooding exacerbating the existing levels of vulnerability.
- Severe localized staple food production shortfalls, particularly in the Highlands Region, are expected to worsen the food insecurity situation of vulnerable groups.

LATIN AMERICA AND THE CARIBBEAN (1 country)**EXCEPTIONAL SHORTFALL IN AGGREGATE FOOD PRODUCTION/SUPPLIES****Haiti**

Drought-affected production

- Production of cereals and starchy roots in 2015 dropped to its lowest level in 12 years, following two consecutive years of El Niño-associated drought conditions.
- Approximately 3.6 million people are food insecure (34 percent of the population), and 1.5 million are severely food insecure and at least 200 000 people are in an extreme food emergency situation.
- WFP and FAO are assisting approximately 1 million people through food assistance and measures to sustain productive capacity for the upcoming 2016 agricultural season.

Countries with unfavourable prospects for current crops² (total: 3 countries)**AFRICA (2 countries)****Central African Republic**

The widespread conflict, which caused large-scale displacements, the loss and depletion of households' productive assets and input shortages continue to weigh on 2016 production prospects

Morocco

Drought conditions have acutely weakened 2016 production prospects, particularly of winter cereals

ASIA (1 country)**Timor-Leste**

Cereal production prospects indicate a reduced 2016 crop for the second consecutive year

Key - Changes since last report (March 2016)

No change ■ Improving ▲ Deteriorating ▼ New Entry +

Terminology

¹ **Countries requiring external assistance for food** are expected to lack the resources to deal with reported critical problems of food insecurity. Food crises are nearly always due to a combination of factors but for the purpose of response planning, it is important to establish whether the nature of food crises is **predominantly** related to lack of food availability, limited access to food, or severe but localized problems. Accordingly, the list of countries requiring external assistance is organized into three broad, not mutually exclusive, categories:

- Countries facing an **exceptional shortfall in aggregate food production/supplies** as a result of crop failure, natural disasters, interruption of imports, disruption of distribution, excessive post-harvest losses, or other supply bottlenecks.
- Countries with **widespread lack of access**, where a majority of the population is considered to be unable to procure food from local markets, due to very low incomes, exceptionally high food prices, or the inability to circulate within the country.
- Countries with **severe localized food insecurity** due to the influx of refugees, a concentration of internally displaced persons, or areas with combinations of crop failure and deep poverty.

² **Countries facing unfavourable prospects for current crops** are countries where prospects point to a shortfall in production of current crops as a result of a reduction of the area planted and/or yields due to adverse weather conditions, plant pests, diseases and other calamities.

Global overview

(for FAO's latest global Cereal Supply and Demand Brief visit the website [here](#)!)

PRODUCTION 2016

FAO forecasts world **cereal** production in 2016 at 2 543 million tonnes, 0.6 percent higher than in 2015 and only 0.7 percent below the 2014 record high. At that level, production would be 17.3 million tonnes more than was expected in May, mostly reflecting upward revisions for wheat production in Argentina, the EU and the Russian Federation, as well as for maize in Argentina, Canada, the EU and the United States of America.

The latest forecast for 2015 world **wheat** production stands at 724 million tonnes, 10 million tonnes or 1.4 percent lower than the 2015 record. The contraction mostly rests on expected declines in Europe, largely attributed to reduced plantings, and in Africa, mainly due to dry weather. By contrast, global production of **coarse grains** in 2016 is anticipated to reach 1 324.5 million tonnes, which is 1.5 percent, or 20 million tonnes, higher than the previous year. Of this, world **maize** production accounts for 1 026.5 million tonnes, implying a growth of 2.2 percent, or 22.5 million tonnes, from 2015. The bulk of the increase is attributed to a significantly larger crop expected this year in the United States of America, the world's largest maize producer. The global forecast for 2016 **barley** production stands at 144.6 million tonnes, about 1.6 percent (2.4 million tonnes) below the high level of 2015, while **sorghum** production is forecast to decline to 61 million tonnes, down almost 6 percent (4 million tonnes). The FAO forecast for global **rice** production in 2016 stands at 494.4 million tonnes,

merely 1 percent above the relatively poor 2015 outturn. Much of the expansion is expected in Asia, but some increases are also anticipated in Africa, North America and Europe.

UTILIZATION 2016/17

World cereal utilization in 2016/17 is currently put at 2 546 million tonnes, or 0.9 percent above the 2015/16 estimate. The forecast is 3.5 million tonnes lower

than reported in May, because global feed use of wheat was revised down. Total utilization of wheat is now foreseen to decrease by 0.1 percent globally in 2016/17, which compares with a 0.2 percent and a 0.6 percent growth predicted for rice and coarse grains, respectively.

STOCKS 2016/17

The forecast for global cereal stocks by the end of the seasons in 2017 has been

Table 1. World cereal production¹
(million tonnes)

	2014	2015 estimate	2016 forecast	Change: 2016 over 2015 (%)
Asia	1 115.1	1 117.6	1 120.4	0.3
Far East	1 018.7	1 013.5	1 018.3	0.5
Near East	64.4	70.7	69.6	-1.5
CIS in Asia	32.1	33.4	32.4	-2.9
Africa	175.9	164.5	156.0	-5.2
North Africa	33.1	37.3	30.6	-18.1
West Africa	52.6	53.6	54.8	2.4
Central Africa	4.7	4.5	4.6	3.3
East Africa	51.6	42.8	43.4	1.4
Southern Africa	34.0	26.3	22.5	-14.3
Central America and Caribbean	41.9	42.9	42.2	-1.6
South America	179.0	185.9	184.0	-1.0
North America	491.3	482.5	499.0	3.4
Europe	523.7	497.1	503.3	1.2
EU	330.6	312.2	316.4	1.3
CIS in Europe	178.5	172.2	174.0	1.0
Oceania	35.8	38.2	38.1	-0.2
World	2 562.8	2 528.6	2 542.9	0.6
Developing countries	1 453.7	1 455.9	1 451.9	-0.3
Developed countries	1 109.1	1 072.7	1 091.0	1.7
- wheat	729.8	734.1	724.0	-1.4
- coarse grains	1 338.7	1 304.5	1 324.5	1.5
- rice (milled)	494.4	490.1	494.4	0.9

Note: Totals and percentage change computed from unrounded data.

¹ Includes rice in milled terms.

¹ FAO Cereal Supply and Demand Brief: <http://www.fao.org/worldfoodsituation/csdb/en/>

lifted by 27 million tonnes since May and now stands at 642 million tonnes. Higher forecasts for production, lower for utilization and historical revisions to China's wheat inventory estimates are the main reasons for this month's adjustment. At their newly predicted level, world stocks would be barely 1.8 million tonnes below their all-time high opening level and the world cereal stocks-to-use ratio only marginally down in 2016/17.

TRADE 2016/17

At 369 million tonnes, global trade in cereals in 2016/17 is predicted to decline by 1.9 percent compared to 2015/16, mostly due to reduced world import demand for barley and sorghum. The overall contraction in world cereal trade is likely to intensify competition for market share among major exporters, a prospect that could keep international prices in check.

Table 2. Basic facts of world cereal situation

(million tonnes)

	2014/15	2015/16 estimate	2016/17 forecast	Change: 2016/17 over 2015/16 (%)
PRODUCTION¹				
World	2 562.8	2 528.6	2 542.9	0.6
Developing countries	1 453.7	1 455.9	1 451.9	-0.3
Developed countries	1 109.1	1 072.7	1 091.0	1.7
TRADE²				
World	376.0	376.3	369.1	-1.9
Developing countries	114.1	130.6	123.1	-5.7
Developed countries	261.8	245.7	246.0	0.1
UTILIZATION				
World	2 502.7	2 524.5	2 546.0	0.9
Developing countries	1 610.4	1 631.0	1 642.0	0.7
Developed countries	892.3	893.5	903.7	1.2
Per caput cereal food use (kg per year)	148.9	148.8	149.1	0.2
STOCKS³				
World	644.3	644.1	642.2	-0.3
Developing countries	480.9	474.0	455.6	-3.9
Developed countries	163.4	170.1	186.6	9.7
WORLD STOCK-TO-USE RATIO (%)	25.5	25.3	24.5	-3.4

Note: Totals and percentage change computed from unrounded data.

¹ Data refer to calendar year of the first year shown and include rice in milled terms.

² For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown.

³ Data are based on an aggregate of carryovers level at the end of national crop years and, therefore, do not represent world stock levels at any point in time.

Low-Income Food-Deficit Countries food situation overview²

LIFDC cereal production expected to partially recover in 2016, mostly reflecting a favourable outlook in Asia

In Low-Income Food-Deficit Countries (LIFDCs), aggregate cereal production in 2016 is forecast to partially rebound by 2.5 percent to 419.8 million tonnes from the sharply reduced 2015 level, mostly reflecting improved production prospects in *Asia*, with smaller increases also foreseen in *Africa*.

Aggregate production in sub-Saharan Africa is forecast to rise slightly in 2016 to 110.8 million tonnes, up 1.3 percent from the reduced level in 2015. In *East Africa*, abundant precipitation in May mostly eliminated moisture deficits following early seasonal dryness and boosted yield prospects for the 2016 crops. In **Burundi**, however, production is expected to be well-below average in conflict-affected areas, as insecurity and large-scale population displacements hampered agricultural activities. In *West Africa*, with planting of the main 2016 cereal crops recently concluded in southern coastal countries, preliminary production prospects are uncertain, reflecting erratic rains at the start of the season and forecasts pointing to normal to below-normal rainfall in the coming months. In *Central Africa*, persisting insecurity in parts of the subregion continues to adversely impact the agriculture sector, severely impairing the 2016 production outlook in affected areas. With harvest operations expected to begin in July, the subregional

2016 cereal output is currently anticipated at an average level. In *Southern Africa*, where the 2016 main season crop is being harvested, the aggregate cereal production, affected by sharply-reduced seasonal rains and higher-than-normal temperatures linked to El Niño, is anticipated to fall by 7 percent compared to the already weather-depressed 2015 output. Sharp declines are expected in **Lesotho, Malawi and Zimbabwe**.

In *Asia*, the 2016 outlook in the *Far East* subregion points to a recovery in cereal production to an average level of 287.7 million tonnes, mainly resting on a rebound in **India's** cereal output, owing to a return to average yields. In the **Democratic People's Republic of Korea (DPRK)** and **Nepal**, outputs are foreseen to partially recover from last year's drought-reduced level and are forecast at average

to above-average levels. In the *Near East*, the ongoing conflicts and lack of inputs in **Afghanistan, the Syrian Arab Republic and Yemen** have continued to debilitate agricultural productive capacities and, despite generally beneficial weather, 2016 production is forecast below the five-year average and slightly down from 2015. Moreover, along Yemen's southern coast, the formation of locust swarms poses a threat to the 2016 cereal crop, to be harvested from September, especially if they expand and are left untreated.

Cereal imports forecast to rise in 2016/17 following a contraction in the previous year

The aggregate cereal imports of LIFDCs in the 2015/16 marketing year are forecast at 53.1 million tonnes (including rice in

Table 3. Basic facts of the Low-Income Food-Deficit Countries (LIFDCs) cereal situation (million tonnes, rice in milled basis)

	2014/15	2015/16 estimate	2016/17 forecast	Change: 2016/17 over 2015/16 (%)
Cereal production¹	437.4	409.5	419.8	2.5
<i>excluding India</i>	193.0	181.4	183.5	1.1
Utilization	461.0	460.6	464.2	0.8
Food use	371.7	376.8	382.9	1.6
<i>excluding India</i>	178.7	181.6	184.7	1.7
Per caput cereal food use (kg per year)	146.9	146.3	146.8	0.3
<i>excluding India</i>	144.7	143.6	144.1	0.3
Feed	34.9	34.1	33.7	-1.1
<i>excluding India</i>	21.3	20.2	19.8	-1.8
End of season stocks²	95.0	79.7	74.4	-6.7
<i>excluding India</i>	40.4	34.8	32.2	-7.5

¹ Data refer to calendar year of the first year shown.

² May not equal the difference between supply and utilization because of differences in individual country marketing years.

² The **Low-Income Food-Deficit Countries (LIFDCs)** group includes net food deficit countries with annual per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 945 in 2011). The new list of the LIFDCs stands at 54 countries, one less than in 2014 list but with some changes. These are: the Republic of the Congo, the Philippines and Sri Lanka, which all graduated out based on income criterion (for the Philippines in particular this is part due to the World Bank revision of income data). The 2015 list of LIFDCs now also includes South Sudan, for which data had previously been unavailable, and the Syrian Arab Republic, which had previously been taken off the list, but now fails to satisfy the three criteria for exclusion. For full details see: <http://www.fao.org/countryprofiles/lifdc/en/>

Table 4. Cereal production¹ of LIFDCs
(million tonnes)

	2014	2015 estimate	2016 forecast	Change: 2016 over 2015 (%)
Africa (37 countries)	119.7	109.4	110.8	1.3
East Africa	51.6	42.8	43.4	1.4
Southern Africa	11.0	8.6	8.0	-7.0
West Africa	52.6	53.6	54.8	2.4
Central Africa	4.6	4.4	4.6	3.3
Asia (12 countries)	316.1	298.8	307.2	2.8
CIS in Asia	10.6	10.2	9.9	-3.5
Far East	295.6	278.5	287.7	3.3
- India	244.4	228.2	236.3	3.6
Near East	10.0	10.0	9.6	-4.0
Central America and the Caribbean (3 countries)	1.5	1.3	1.8	33.8
Oceania (2 countries)	0.0	0.0	0.0	0.0
LIFDC (54 countries)	437.4	409.5	419.8	2.5

Note: Totals and percentage change computed from unrounded data.

¹ Includes rice in milled terms.

milled terms), about 1.2 million tonnes below the previous year. This year's contraction is mainly the result of a reduced import forecast in *West Africa*, with the bulk of the decrease stemming from Senegal, reflecting larger cereal harvests gathered in 2015. A drop in imports is also forecast in *Central Africa*, where persisting conflict has disrupted trade flows in affected areas. By contrast, in *Southern Africa*, the dry weather-reduced harvests instigated a year-on-year increase in imports in 2015/16, while those of *East Africa* are expected to

remain mostly unchanged. In *Asia*, at the aggregate level, total imports in 2015/16

are anticipated to rise only marginally from the previous year's high level, mainly on account of increased imports in the *Near East*. In *Central America and the Caribbean*, drought-reduced harvests pushed up import needs, while in *Oceania* imports are foreseen to remain close to their levels of the previous year.

The early forecast for the LIFDCs imports in the 2016/17 marketing year points to an increase, largely on account of expected higher requirements in *Southern Africa*, due to a sharply lower 2016 cereal production forecast. Imports are also foreseen to rise in *West Africa*, where an unfavourable seasonal rainfall outlook has reduced the 2016 production prospects. In *Asia*, *Central America* and *Oceania*, import volumes are projected to remain close to the levels of the previous year.

Table 5. Cereal imports of LIFDCs
(thousand tonnes)

	2014/15 or 2015	2015/16 or 2016		2016/17 or 2017	
	Actual imports	Import forecast	of which food aid	Import requirement ¹	of which food aid
Africa (37 countries)	32 326	30 548	1 327	33 832	1 373
East Africa	10 459	10 430	878	11 362	927
Southern Africa	2 718	2 830	38	4 201	37
West Africa	17 247	15 517	262	16 318	260
Central Africa	1 903	1 770	149	1 951	149
Asia (12 countries)	19 601	19 900	628	19 386	628
CIS in Asia	4 138	3 843	1	3 906	1
Far East	6 455	6 755	189	6 023	186
Near East	9 007	9 302	438	9 457	441
Central America and the Caribbean (3 countries)	1 973	2 219	48	2 208	31
Oceania (2 countries)	473	467	0	465	0
Total (54 countries)	54 372	53 134	2 003	55 891	2 033

Note: Totals computed from unrounded data.

¹ The import requirement is the difference between utilization (food, feed, other uses, export plus closing stocks) and domestic availability (production plus opening stocks).

LA NIÑA AND ITS IMPACT - A GLOBAL OVERVIEW

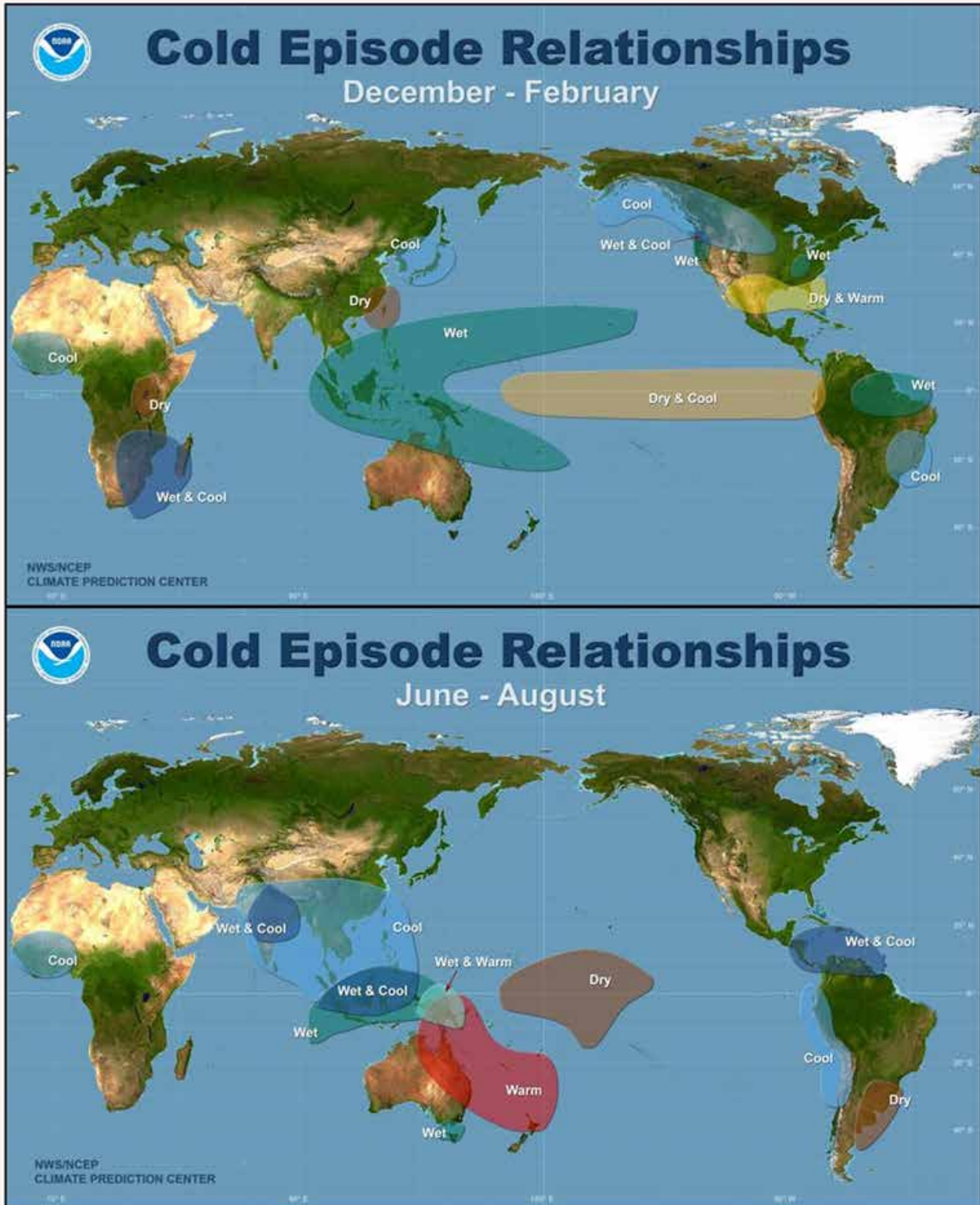
La Niña, the counterpart of El Niño, is triggered by unusually cold Sea Surface Temperatures (SST) in the equatorial Eastern Central Pacific Ocean and declared when the temperature deviates by 0.5 °C or more from the average during five consecutive overlapping three-month periods¹. La Niña episodes normally persist for about one year, peaking between October and January, and mainly induces the opposing climatic effects of El Niño. According to the World Meteorological Organization (WMO), the current 2015/16 El Niño episode is rapidly fading, and while a La Niña episode is more favoured to develop towards the end of 2016 (75 percent likelihood during the Northern Hemisphere's autumn and winter), forecasts indicate a 65 percent chance that the onset may occur earlier, in the July-September 2016 period. Historically, La Niña has been associated with the following weather patterns:

- In **Southern Africa**, the occurrence of a La Niña event would increase the probability of above-normal precipitation from December to March, which if not excessive, could benefit the development of the 2016/17 cereal crops (October-March) in several countries, including the northern maize triangle in South Africa. Heavier rainfall also raises the possibility of flooding.
- By contrast, in **East Africa**, La Niña events during December-February are mostly associated with drier-than-normal conditions in the eastern areas of the subregion, which could negatively affect the "short-rains" season crops, normally harvested in February.
- In **West Africa**, the main cereal harvest is normally concluded by December, as a result cool weather conditions associated with La Niña from December to February are unlikely to adversely impact crop development. However, in 2011, severe floods associated with La Niña, caused considerable human casualties and livestock losses.
- In **Asia**, the La Niña phenomenon increases the probability of above-normal rainfall in much of south and southeast Asia during the end of 2016 and start of 2017, beneficial for planting of the main cereal season crops in the Southern Hemisphere countries, although excessive rains could also raise the potential for flooding. If La Niña occurs between July and September, the resulting effect tends to be cooler and wetter weather across large parts of southeast Asia, which corresponds with the tail-end of the planting period for the main season in Northern Hemisphere countries.
- In **South America**, La Niña is associated with wetter-than-normal conditions during December-February over the northern areas of the region. In northern Brazil, this tends to benefit planting and early development of food crops. By contrast, drier-than-normal conditions are generally observed along coastal Ecuador and northwestern Peru. In the event of an earlier onset, drier-than-normal weather tends to prevail in southern Brazil and central Argentina (main producing areas) between June and August, during the wheat planting period.
- In **Central America and the Caribbean**, La Niña is associated with above-normal rains during June-August, which may benefit the main "de primera" season cereal crops, currently being planted under overall dry weather conditions. However, the likelihood of excessive rain, coupled with a more active Atlantic hurricane season (June-November), typical of a La Niña event in the region, may have serious implications for the agricultural sector.
- In **North America**, the predominant impact on agriculture in the United States of America would be below-average precipitation during the winter months, mainly affecting the wheat crop and the possibility of drought during the planting of the spring crops.

FAO will continue to closely monitor the development of La Niña and possible weather anomalies in the coming months to assess the potential impact on crop production.

¹Larger temperature anomalies indicate the strength of the La Niña event.

LA NIÑA AND ITS IMPACT - A GLOBAL OVERVIEW



Source: NOAA

Regional reviews

NORTH AFRICA

Mixed prospects for 2016 winter crops

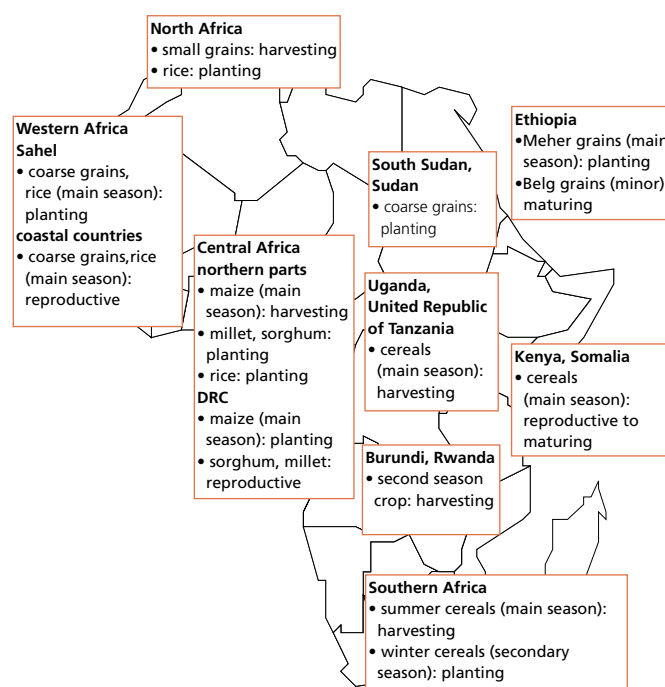
Harvesting of the 2016 winter cereal crops started in May in most countries. While **Egypt**, western parts of **Tunisia** and eastern parts of **Algeria** maintained favourable crop prospects, mainly owing to timely and widespread precipitation during critical crop development stages, large swathes of land in **Morocco** and western **Algeria** have been adversely affected by drought conditions. In addition, heavy showers in mid-May slowed harvesting operations in **Algeria** and **Tunisia** following unusually high temperatures in late April that had accelerated crop development.

Pre-harvests forecasts indicate an overall below-average 2016 cereal crop at the subregional level, driven by an expected 5 million-tonne fall in **Morocco's** wheat output compared to last year's record harvest. In **Algeria** and **Egypt**, the cereal harvests are expected to be on par with last year and the five-year average, while a small production increase is foreseen in **Tunisia**.

FAO's preliminary forecast puts the subregion's aggregate wheat output at 16.3 million tonnes, about 23 percent down on last year's record crop and 16 percent lower than the five-year average. The barley crop is put at about 3 million tonnes, 43 percent lower than last year and 32 percent below average. At 6.2 million tonnes, the maize crop, produced primarily in **Egypt**, is expected to remain the same as in 2015 and close to the five-year average.

Cereal imports remained unchanged in 2015/16

North African countries rely heavily on wheat imports from the international market to cover their consumption needs, especially **Egypt**, the world's largest importer. Despite an above-average cereal harvest in 2015, the subregional import forecast for the



Note: Comments refer to situation as of June.

2015/16 marketing year (July/June) stands at about the same level as the previous year, as countries took advantage of lower prices to build stocks. Cereal imports in the subsequent 2016/17 marketing year are expected to increase to compensate for the anticipated large 2016 production deficit in the western producing zones.

Low levels of food inflation in Algeria, Morocco and Tunisia, higher levels in Egypt

In **Egypt**, the annual food and beverage inflation rate in April 2016 reached about 12 percent, driven by volatile food and vegetable prices. By contrast, in **Algeria**, the March 2016 food and beverage

Table 6. North Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
North Africa	18.0	20.9	16.3	10.7	12.3	10.1	6.3	5.9	6.1	35.0	39.1	32.5	-17.0
Algeria	1.9	2.8	2.8	1.3	1.3	1.4	0.0	0.0	0.0	3.2	4.1	4.2	2.4
Egypt	9.3	9.0	9.0	6.6	6.8	6.8	6.2	5.9	6.1	22.1	21.7	21.9	0.9
Morocco	5.1	8.0	3.0	1.9	3.7	1.2	0.0	0.0	0.0	7.0	11.7	4.2	-63.8
Tunisia	1.5	0.9	1.3	0.8	0.4	0.5	0.0	0.0	0.0	2.3	1.3	1.8	39.6

Note: Totals and percentage change computed from unrounded data.

inflation rate stood at 1 percent on yearly basis, compared to 2 percent in January 2016. Similarly, in **Morocco**, food inflation increased by 3.7 percent in the 12 months to March 2016, up from -0.2 percent in January 2016. In **Tunisia**, the year on-year food and beverage price inflation rate in April 2016 was estimated at 1.8 percent, about the same as in January 2016.

WEST AFRICA

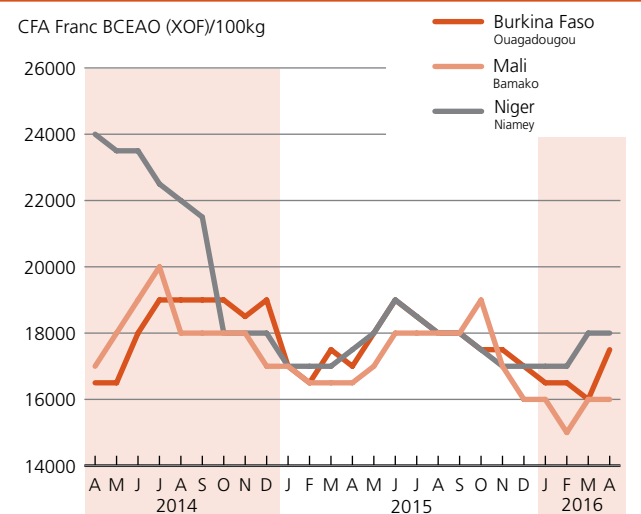
Unfavourable early prospects for 2016 cereal crops

Planting of the first 2016 maize crop, to be harvested from July, was completed in May in southern parts of coastal countries along the Gulf of Guinea. Planting of coarse grains is progressively moving northwards in these countries with the onset of seasonal rains. In most of the Sahelian zone, seasonably dry conditions prevailed where planting usually starts from June. Early prospects for 2016 cereal production are unfavourable in coastal countries due to irregular and below-average precipitation in several areas, notably in **Liberia**, portions of eastern **Guinea**, **Côte d'Ivoire**, and western **Ghana**. These rainfall trends are in line with the joint forecast by the African Centre of Meteorological Applications for Development (ACMAD) and the Agrhymet Centre. According to the forecast, there is an increased probability of normal to below-normal rainfall between April and June over southeastern **Côte d'Ivoire** and southern **Ghana** and **Togo**.

Good cereal harvest gathered in 2015

Latest estimates put the subregion's aggregate 2015 cereal output, consisting mostly of coarse grains, at about 59 million tonnes, 2 percent above the previous year's bumper crop and 8 percent higher than the five-year average. Reduced harvests in several coastal countries were more than offset by above-average production in the Sahelian countries that were affected by irregular rains in 2014. Notable production recoveries were registered in

Figure 1. Millet prices in selected West African markets



Source: Afrique Verte.

Senegal, Guinea-Bissau, the Gambia and Cabo Verde, where the aggregate 2015 cereal output, estimated at about 23 million tonnes, was about 10 percent up on the 2014 harvest, and 13 percent above the previous five-year average. In the coastal countries along the Gulf of Guinea, 2015 cereal production declined in several countries but in the major producing countries, notably **Nigeria**, harvests were estimated close to the 2014 above-average level.

Coarse grain prices mostly stable in the Sahel belt but on the increase in coastal countries

In the Sahel belt, reflecting adequate supplies from the good harvest in 2015, prices of locally-produced millet and sorghum, the main staples, were stable or falling in recent months. Prices have been following a downward trend in **Burkina Faso, Mali and Niger**. Similarly, in **Chad**, coarse grain prices have remained lower

than a year earlier in most markets in spite of the seasonal increase observed in March. By contrast, in **Nigeria**, prices of coarse grains continued to increase sharply, with those of sorghum reaching record highs in March. Price rises for both domestic and imported foods were driven by the ongoing rapid depreciation of the naira on the parallel market mainly due to the drop in oil revenues. In an effort to mitigate the

Table 7. West Africa cereal production (million tonnes)

	Coarse grains			Rice (paddy)			Total cereals ¹			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
West Africa	43.6	44.2	45.3	14.0	14.6	14.9	57.7	58.9	60.3	2.3
Burkina Faso	4.1	3.9	4.2	0.3	0.3	0.3	4.5	4.2	4.5	8.1
Chad	2.4	2.2	2.2	0.3	0.2	0.3	2.7	2.5	2.5	0.2
Ghana	2.2	2.1	2.2	0.6	0.6	0.7	2.8	2.8	2.8	3.3
Mali	4.8	5.7	5.3	2.2	2.3	2.4	7.0	8.1	7.7	-4.5
Niger	4.8	4.5	4.7	0.1	0.1	0.1	4.9	4.6	4.8	4.5
Nigeria	19.5	19.2	20.2	4.9	4.8	4.8	24.4	24.0	25.1	4.4

Note: Totals and percentage change computed from unrounded data.

¹ Total cereals includes wheat, coarse grains and rice (paddy).

impact of high food prices on consumers, the Government announced in late April the release of 10 000 tonnes of grains from the National Strategic Grains Reserve to bolster market supplies. Similarly, in **Togo**, prices generally strengthened in March and were above their year-earlier levels.

Food security affected by civil insecurity

In spite of the above-average 2015 cereal harvest, the humanitarian situation remains critical in the subregion, due to the continuing civil conflict in northern **Nigeria**, which has resulted in large population displacement internally and in the neighbouring countries of Cameroon, Chad and Niger. The conflict has also caused widespread disruption to agricultural and marketing activities. According to OCHA, about 2.2 million people have been internally displaced in Nigeria. In the northern state of Borno, about 124 000 new Internally-Displaced Persons (IDPs) have been discovered recently in the four difficult-to-reach local Government areas of Dikwa (52 000), Mongonu (35 000), Bama (27 000) and Damboa (9 500). In addition, over 138 000 people are estimated to have left Nigeria for Niger, while nearly 65 000 people have taken refuge in Cameroon and about 6 600 in Chad. **Chad** has also seen increased numbers of refugees and returnees due to the civil conflict in the Sudan, the Central African Republic (CAR), Nigeria and Libya. Overall, over 377 000 refugees are estimated to be currently living in Chad, while about 80 000 Chadians have returned to their country. The refugee crisis has exacerbated an already fragile food security situation. Moreover, the areas of Chad affected by irregular rains in 2015 are expected to experience increased food insecurity and malnutrition in the 2015/16 marketing year. In the EVD-affected countries of **Guinea**, **Liberia** and **Sierra Leone**, in spite of the relatively low impact of the outbreak on agricultural production at the national level, its impact on economic activities and livelihoods severely affected household food security.

As a result of the shocks mentioned above, the aggregate number of people in Phase 3: "Crisis" and above in the subregion is estimated to be over 6.6 million, according to the latest "Cadre Harmonisé" analysis. More than half of the people in need of food assistance live in Nigeria.

CENTRAL AFRICA

Persistent insecurity continues to adversely affect prospects for 2016 cereal crops in the CAR

The 2016 main season maize crops, sown from March, will be harvested from July in central and southern parts of Cameroon and the CAR. In **Cameroon**, although cumulative rainfall amounts from March until the first dekad of May were above average, remote sensing data indicates an uneven temporal distribution of precipitation, which may have negatively affected crop-growing conditions in some central and southern areas. In the **CAR**, despite above-average precipitation from March until the first dekad of May, crop production is expected to be adversely impacted by the widespread conflict, which caused the loss and depletion of already inadequate household productive assets, and resulted in shortages and soaring prices of inputs. To help avert a full-scale nutrition and food security crisis in the coming months and to respond to the needs of the crisis-hit farmers, FAO plans to assist 330 000 farming households countrywide, ensuring access to agricultural and productive inputs including seed and tools, and supporting livestock rearing and fishing activities. However, funding constraints continue to severely restrict the scope of the operations. In the **Democratic Republic of Congo (DRC)**, harvesting of the 2016 maize crop was concluded in May in southern uni-modal rainfall areas, while in central and northern bi-modal rainfall areas, the 2016 secondary season maize harvest is underway. Abundant precipitation was received over most cropping areas, thus benefiting vegetation conditions. However, the heavy rainfall, linked to the strong El Niño episode, triggered widespread floods in ten out of 26 provinces, damaging about 5 500 hectares of crop land. Destruction of food stocks has also been reported. In **the Republic of Congo** and **Gabon**, where harvesting of the second season crops normally starts in June, dry weather in January and February delayed planting operations. However, above-average precipitation offset early seasonal moisture deficits and in early May, according to remote sensing data, vegetation conditions were favourable in most cropping areas. In both of these countries however, the bulk of the national cereal utilization requirement is satisfied with imports.

Table 8. Central Africa cereal production
(million tonnes)

	Coarse grains			Rice (paddy)			Total cereals ¹			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
Central Africa	4.3	4.1	4.3	0.6	0.5	0.5	4.9	4.7	4.8	3.1
Cameroon	2.8	2.7	2.8	0.2	0.2	0.2	3.0	2.9	3.0	4.8
Central African Rep.	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2	6.0
Dem.Rep.of the Congo	1.3	1.3	1.3	0.3	0.3	0.3	1.6	1.6	1.6	0.0

Note: Totals and percentage change computed from unrounded data.

¹ Total cereals includes wheat, coarse grains and rice (paddy).

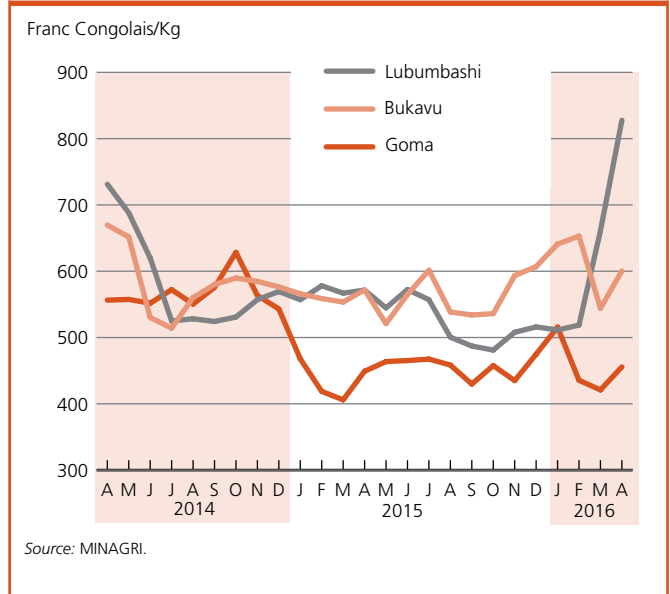
Inflation rates forecast to increase in 2016 but still low in most countries except in the CAR

In the **CAR**, the inflation rate, which surged to 12 percent in 2014 due to crisis-induced disruptions of economic activities, declined to 5.4 percent in 2015 and is forecast to decrease further to 4.9 percent in 2016, which is still well above the convergence rate of 3 percent set by the "Communauté économique et monétaire de l'Afrique centrale". In the **DRC**, rates of inflation are forecast to slightly increase from a low level of 1 percent in 2015 to 1.7 percent in 2016, due to relatively strong economic growth and a loosening fiscal policy that is expected to boost domestic demand. In Lubumbashi market, located in the southern Haut-Katanga province, prices of maize flour surged by about 60 percent between February and April, in part due to reduced imports from neighbouring Zambia. In **the Congo**, inflation rates are forecast to increase from 2 percent in 2015 to 2.3 percent in 2016, partly on account of a rise in public sector wages. Similarly, in **the Gabon**, rates of inflation, which declined from 4.5 percent in 2014 to 0.1 percent in 2015, driven by lower oil prices and a reduction in Government expenditure, are forecast to increase to 2.5 percent in 2016. In **Cameroon**, by contrast, the inflation rate in 2016 is forecast to decline from 2.8 percent in 2015 to 2.2 percent in 2016.

Acute food insecurity situation in the CAR, the DRC and parts of Cameroon due to conflict

Continued civil insecurity in the CAR and in eastern DRC has resulted in massive population displacements and hindered access to food for the affected population. As of April 2016, about 467 000 refugees from the **CAR** have sought refuge in neighbouring Cameroon (259 100), the DRC (112 800), Chad (66 900) and the Congo (28 600) straining the already limited resources of the hosting communities. The IDP caseload in the CAR declined from 452 000 in January 2016 to 419 000 in late April, following a relative improvement of the security situation in some areas of the country. However, despite the recent declines, the number of IDPs is still higher than in late August 2015, when it was estimated at 378 000, immediately before the resurgence of inter-communal violence in the capital, Bangui, and in other areas of the country. Three consecutive years of reduced harvests, compounded by access constraints due to market disruptions and declining purchasing power, resulted in a deterioration of the food security situation. According to the 2016 Humanitarian Response Plan, updated in March, 1.5 million people are estimated to be in need of urgent humanitarian assistance, 18 percent more than in April 2015. Similarly, in the **DRC**, the escalation of the civil conflict since 2013, especially in the eastern provinces, severely damaged local livelihood systems and caused massive population displacements. As of late March 2016, the IDP caseload was estimated at 1.8 million, 300 000 more than in December 2015, mainly due to the worsening security in the Nord-Kivu province. The country also hosts about 22 000

Figure 2. Maize flour retail prices in selected Democratic Republic of the Congo markets



refugees from Burundi, who fled their homes since mid-April 2015 following the election-related conflict. Furthermore, the torrential rains received in the last quarter of 2015 and in the first quarter of 2016, linked to the strong El Niño episode, resulted in widespread floods which affected more than 770 000 people and caused the displacement of more than 40 000 individuals. The most affected areas are located along the Congo River and in the former Katanga Province. According to the latest available IPC analysis, in September 2015 the number of people in acute food insecurity and livelihood crisis Phase 3: "Crisis" and Phase 4: "Emergency" was estimated at about 4.5 million. The areas most affected by food insecurity are the conflict-affected former Maniema, Katanga and Nord-Kivu provinces, where 18, 16 and 13 percent, respectively, of the total national food insecure population reside. In **Cameroon**, as of March 2016, the Far North Region is hosting about 65 000 refugees fleeing civil unrest in Nigeria, which has spread into neighbouring countries and has also resulted in the displacement of 170 000 Cameroonians. The number of food insecure people was estimated in February 2016 at 2.4 million, more than twice the level of June 2015.

EAST AFRICA

Favourable rains in April and May boost yield prospects of 2016 main season crops

After a substantially delayed onset of the March to May rainy season, planting of the 2016 main season crops was concluded at the beginning of May in **Somalia** ("gu"), **Kenya** ("long-rains"),

Ethiopia (“meher” long-cycle crops, namely maize and sorghum), southern **South Sudan** (“green belt”), northern **United Republic of Tanzania** (“masika”) and the Karamoja region in northeastern **Uganda**. In most of these areas, crops to be harvested from July/August are in good condition following abundant rains in April/May that eased the early seasonal moisture deficits. The heavier rains were particularly beneficial in northeastern **Somalia** where pasture resources were severely affected by dry weather since October 2015. By contrast, heavy rains in the **Kenyan** central and northern provinces of Nairobi, Turkana, Marsabit and Wajir, predominantly pastoralist, resulted in localized severe flooding, damaging infrastructure and crops. However, in southeastern and coastal Kenya as well as in some agro-pastoral areas of southern Somalia, persistent dry conditions are expected to constrain yields. In these areas, a delayed onset of the rainy season by two to three weeks reduced the length of the growing period and rains were often poorly distributed, with likely negative impacts on yields. In particular, severe dry weather conditions in the southern Kenyan counties of Kilifi, Tana River and Kitui caused extensive damage to the maize crop. A better performance is expected for crops grown along Somalia’s Shabelle River in the south, as recent abundant rains in the Ethiopian highlands increased river levels, enhancing water availability for irrigation.

In western **Ethiopia** (“meher” short-cycle crops, namely wheat, barley and teff), **Eritrea**, northern **South Sudan** and **the Sudan**, planting of the 2016 main season crops is underway.

The 2016 main season is more advanced in most southern cropping areas of the subregion, where harvesting has already started and production is forecast at average levels. After below average rainfall in March, abundant rains in April/May lifted yield prospects in southern and central areas of **the United Republic of Tanzania** (“msimu” crops), in bi-modal rainfall areas of **Uganda** (“first season” crops) as well as in **Rwanda** and **Burundi** (“season B” crops). However, in **Burundi**, production is expected to be well-below average in conflict-affected provinces of Rumonge, Bujumbura, Muyinga, Kirundo and Makamba, as insecurity, large-scale population displacements and lack of inputs hampered agricultural activities from planting to harvesting. In **Ethiopia**, harvesting of the secondary season “belg” crops, which normally starts in June, is likely to be delayed following the late onset of the rainy season. However, despite the poor performance of early “belg” rains, 2016 production is expected at near-average levels, as favourable precipitaton since April negated

Table 9. East Africa cereal production
(million tonnes)

	Wheat			Coarse grains			Total cereals ¹			Change: 2016/2015 (%)
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	
East Africa	5.3	4.7	4.8	44.1	36.1	36.5	52.7	43.9	44.5	1.4
Ethiopia	4.2	3.6	3.7	19.2	16.6	17.0	23.6	20.3	20.8	2.5
Kenya	0.3	0.4	0.4	3.9	4.0	3.8	4.3	4.5	4.3	-4.8
Sudan	0.5	0.5	0.5	7.4	2.9	4.0	7.9	3.4	4.5	30.3
Tanzania U.R.	0.2	0.1	0.1	7.9	7.2	7.2	10.7	9.7	9.7	0.5
Uganda	0.0	0.0	0.0	3.3	3.2	3.3	3.6	3.4	3.5	3.0

Note: Totals and percentage change computed from unrounded data.

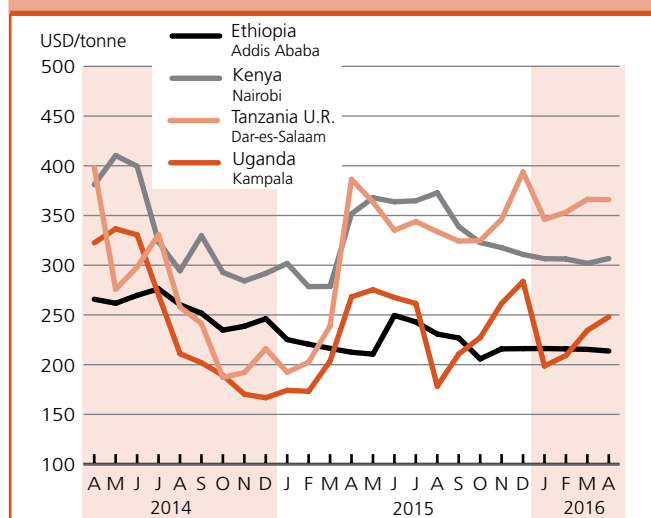
¹ Total cereals includes wheat, coarse grains and rice (paddy).

the impact of early rainfall deficits. Good crop conditions are reported in SNNPR, central Oromia and eastern Amhara regions, where average to above-average cumulative rains were received in April and May. By contrast, a below-average output is expected in southern Tigray and eastern Oromia (particularly in East and West Hararghe woredas) due to inadequate soil moisture.

Cereal prices at very high levels in South Sudan and the Sudan

Prices of coarse grains have been increasing in most countries as the lean season progresses, while prices are firm or slightly declining in countries where harvests began. In **South Sudan**, prices of cereals have continued to soar in recent months on account of a general economic downturn and widespread insecurity. In Juba’s market, prices of sorghum and maize in April registered new highs, about three to four times above their year-earlier values.

Figure 3. Maize prices in selected East African markets



Sources: Regional Agricultural Trade Intelligence Network; Ethiopian Grain Trade Enterprise.

In **the Sudan**, prices of locally-produced coarse grains began rising earlier than usual, in January, as household stocks from the drought-reduced 2015 harvest started to dwindle and, by April, they were up to 35-40 percent higher than their year-earlier level. In **Somalia**, prices of locally-produced sorghum and maize started to increase seasonally in April, following a period of stability, in several markets of the country, but they were still up to 30 percent below year-earlier levels due to adequate domestic availabilities from the good 2015/16 "deyr" production.

In southern and central regions of **the United Republic of Tanzania**, after reaching near record highs at the beginning of the year, prices of maize levelled off or declined in April, when green crops from the "msimu" harvest became available for consumption easing market demand. In **Uganda**, prices of maize started to decline in April in southern and central cropping areas, with the exception of the capital city, Kampala, due to strong local demand. A similar situation is reported in markets of southeastern and coastal **Kenya**, where prices are declining following the recent conclusion of the good "short-rains" harvest. In **Ethiopia**, prices of maize were steady during recent months in most monitored markets, as ongoing relief food distributions and large carryover supplies from the above-average 2014 cereal production partly dampened the upward pressure on prices from the drought-affected 2015 output.

Worsening food security in South Sudan, even outside conflict-affected areas

The estimated aggregate number of people in need of humanitarian assistance has almost doubled during the last 12 months, from 11.6 million to 21.5 million. This is essentially the consequence of drought and conflicts, as the bulk of the food insecure caseload is concentrated in **Ethiopia** (10.2 million), **South Sudan** (4.4 million), **the Sudan** (4 million), **Somalia** (1 million) and **Burundi** (690 000). Food security has recently improved in southern and central parts of **the United Republic of Tanzania**, **Uganda** (except the Karamoja region) and **Rwanda**, where main season harvests are underway, as well as in southeastern and coastal **Kenya**, following the good "short-rains" harvest in February and the recent start of green consumption of short-cycle "long-rains" crops. By contrast, the situation is expected to deteriorate further in the rest of the countries as the lean season deepens until the start of the main season green harvest in August/September.

In **South Sudan**, the already critical food security situation is deteriorating. According to the latest multi-agency analysis, the number of severely food insecure people increased from 2.8 million in December 2015 to 4.4 million during the May-July 2016 lean season. This sharp deterioration is due to the deepening economic crisis, insecurity and dwindling household food stocks. Although access to humanitarian assistance has

recently improved, successfully averting famine in Leer, Mayendit, Guit and Koch counties in Unity State, still almost 60 percent of the population in most conflict-affected areas of the Greater Upper Nile region is considered severely food insecure. New large areas of severe food insecurity are emerging in market-dependent states of Northern and Western Bahr el Ghazal. Here, record high prices, reduced trade flows and the general economic downturn are limiting households' access to food, resulting in a significant number of households fleeing to the Sudan in search of better livelihoods. The gradual implementation of the Peace Agreement between the two parties in conflict in South Sudan is expected to have a positive impact on the country's overall food security conditions, allowing displaced people to return to their homes, improving markets' functionality and facilitating delivery of humanitarian assistance. In **the Sudan**, alarming levels of food insecurity are reported in conflict-affected areas of South Kordofan as well as areas of Central and Southern Darfur, due to disrupted livelihoods and trade flows, restricted access to humanitarian assistance and high food prices. Conflict is also a major driver of food insecurity in **Burundi** where the number of people in need of assistance is escalating as a consequence of displacements and worsening socio-economic conditions, against a backdrop of shrinking Governmental budget allocations to basic services and declining food import capacity (due to low foreign reserves and strong depreciation of the local currency). Insecurity is also severely limiting the delivery of humanitarian assistance, especially outside the capital, Bujumbura.

In **Ethiopia**, most food insecure people are concentrated in eastern areas of Oromia, Amhara and Tigray regions as well as in Afar and northern Somali regions, which have been affected by the El Niño-related drought in 2015. At the beginning of April, a revision of the Priority Hotspot woreda classification was issued by the Government, increasing the number of priority 1 woredas from 186 at the end of last year to a new total of 219. Households' seed reserves are severely depleted and alarming seed shortages are reported. According to latest official estimates, about 1.7 million households do not have enough seeds to plant crops during the ongoing "meher" season. Heavy "belg" rains at the beginning of May have caused floods and landslides in southeastern and central areas of the country, displacing over 100 000 people and seriously hampering the delivery of food assistance to areas like Afdem, Liban and Sitti zones of Somali region, which became inaccessible. In **Somalia**, most northeastern areas (in particular, Sanaag, Sool and Bari regions) experienced severe drought conditions as "gu" rains started only during the third dekad of April, thus extending the harsh "jilaal" (January-March) dry season that followed a poor "deyr" (October-December) rainy season. Although recent abundant rains are improving pasture and water availability, livestock body conditions and animal health status remain very poor, with a severe negative impact on pastoralists' income and nutrition.

SOUTHERN AFRICA

Cereal production in 2016 forecast at a significantly reduced level

With the 2016 cereal harvest underway, aggregate production of maize, the main cereal staple, is forecast to decline by 19 percent from the already reduced 2015 output to 16.7 million tonnes. Overall, the subregional 2016 cereal output is forecast by FAO at 22.5 million tonnes, almost 15 percent lower than the below-average 26.3 million tonnes produced in 2015. This year's decline is mainly the result of a severe and prolonged El Niño-induced drought that afflicted all countries of the subregion, with stronger impacts in southern parts. Seasonal precipitation deficits (despite some improved rains in the second half of the season that benefited late-planted crops and pastures) and higher-than-average temperatures retarded crop development and depressed yields. In addition, below-average precipitation at the start of the season curtailed plantings, further contributing to the lower expected output in 2016. The severe impact on agriculture and food security prompted the Southern African Development Community (SADC) to declare a region-wide drought disaster in March 2016.

The bulk of the subregional production decline in 2016 stems from **South Africa**, where maize production is forecast at 7.3 million tonnes, 31 percent down on the previous year's below-average level. Substantial declines are also expected in **Malawi** and **Zimbabwe**, following poor outturns in 2015. In **Mozambique**, while reduced harvests are anticipated in the central and southern provinces, this may be partially offset by more favourable harvests in northern areas of the country. Lower cereal outputs are foreseen in the import-dependent countries of **Botswana**, **Lesotho** and **Swaziland** and while a small year-on-year production gain is forecast in **Namibia**, the cereal harvest is still expected to be well-below average. In **Angola**, prolonged dryness in southern provinces caused

extensive crop losses, but overall good rains were received in large parts of the main cereal-producing central provinces. In contrast to the subregional trend, **Zambia** generally received beneficial rains in 2016, following early seasonal dryness, and maize production is set to increase by 7 percent to 2.9 million tonnes.

Diminished subregional export availabilities insufficient to satisfy increased import requirements in 2016/17

Maize imports in the 2016/17 marketing year (generally May/April) are forecast to rise substantially, reflecting the reduced 2016 production. Most of the expansion is on account of expected larger requirements in **South Africa**, forecast to import between 3.5 and 4 million tonnes, and **Zimbabwe**, where the Government has planned to import over 1 million tonnes. **Malawi** is also anticipated to access international supplies to meet a larger national deficit this year, resulting from consecutive reduced harvests that followed a record output in 2014.

Although **South Africa** is still foreseen to export to **Botswana**, **Lesotho**, **Namibia** and **Swaziland**, substantial external supplies will be required to meet the import demands of all Southern African countries. Elsewhere in the subregion, exports from **Zambia** are likely to be significantly reduced, with the country expected to ship some of the 2016 crop only later in the year, if there are surpluses to domestic needs available. At the global level, 2016 maize production is forecast to increase, inferring good export availabilities; however, most of the global production is yellow maize, as white maize (the main food staple in *Southern Africa*) is produced in much smaller quantities, which, therefore, limits its availability for world trade. Moreover, while international prices are generally stable and lower than their year earlier values, currency depreciations are likely to raise import costs in several countries in the subregion.

Table 10. Southern Africa cereal production
(million tonnes)

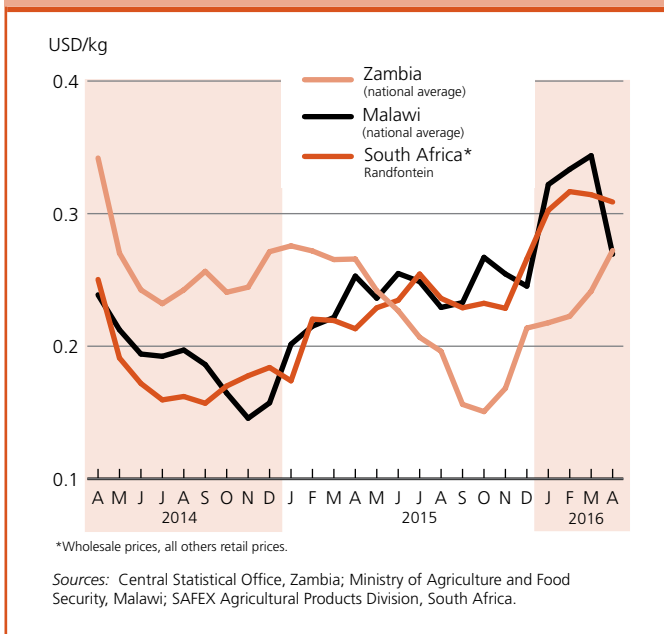
	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
Southern Africa	2.0	1.7	1.9	28.9	21.7	17.8	4.6	4.3	4.3	35.6	27.7	24.0	-13.6
- excl. South Africa	0.3	0.3	0.3	13.4	10.6	10.0	4.6	4.3	4.3	18.2	15.1	14.5	-3.7
Madagascar	0.0	0.0	0.0	0.4	0.4	0.3	4.0	3.7	3.8	4.3	4.1	4.1	0.7
Malawi	0.0	0.0	0.0	4.1	2.9	2.5	0.1	0.1	0.1	4.2	3.0	2.6	-13.4
Mozambique	0.0	0.0	0.0	1.6	1.5	1.5	0.4	0.4	0.3	2.0	1.9	1.9	-1.6
South Africa	1.8	1.4	1.6	15.6	11.2	7.9	0.0	0.0	0.0	17.3	12.6	9.4	-25.4
Zambia	0.2	0.2	0.3	3.4	2.7	2.9	0.0	0.0	0.0	3.7	3.0	3.2	7.5
Zimbabwe	0.0	0.0	0.0	1.7	0.8	0.7	0.0	0.0	0.0	1.8	0.9	0.7	-17.1

Note: Totals and percentage change computed from unrounded data.

Prices of maize decline seasonally from earlier highs

Maize grain prices have been falling seasonally since April with the ongoing 2016 harvest but have remained well above their year-earlier levels, reflecting overall tight supplies and an expected decrease in this year's outputs. In **South Africa**, yellow and white maize prices has fallen in March and April under pressure from the ongoing harvest, low international quotations and large import volumes. Although the appreciation of the rand since January, albeit from a weakened year-on-year position, also contributed to the declines, the rand depreciated in May helping prices rebound from recent declines. The high prices have exerted inflationary pressure in the subregion's import-dependent countries, **Lesotho**, **Namibia** and **Swaziland**, where maize meal prices in April were over one-third higher than their year-earlier values. In **Malawi**, the national average maize price has fallen for two consecutive months since March, as the 2016 harvest increased market supplies. However, the overall tight supply situation and the impact of the regional drought continued to boost prices. In **Zambia**, where the 2016 maize production is estimated to recover to a near-average level, maize grain prices fell seasonally in April, but the overall tight supply situation, following the 2015 reduced output, kept prices at relatively high levels. By contrast, in **Zimbabwe**, maize meal prices have remained comparatively subdued and were lower than a year earlier, mainly as a result of a stronger US dollar, the country's main currency. However, maize meal prices in US dollar terms in the country were still among the highest in the subregion.

Figure 4. White maize prices in selected Southern African markets



Sharp deterioration in food security in 2016

The El Niño-induced drought has significantly worsened food security in *Southern Africa*, with national drought emergencies declared in **Lesotho**, **Malawi**, **Mozambique** (drought-affected provinces) **Swaziland** and **Zimbabwe**, in addition to the region-wide declaration. Currently, an estimated 13.1 million people are food insecure³, reflecting high prices of maize, and food in general, tighter supplies resulting from the poor harvest in 2015 and expected sharp declines in 2016, and adverse impacts on the livestock sector. Sluggish economic performance in some countries and the depreciation of national currencies (resulting in imported inflation) have also contributed to exacerbating the negative shocks this year. These current conditions are set against a background of chronic malnutrition, with almost four out of ten children estimated to be stunted.

In absolute terms, **Malawi** and **Zimbabwe** have the highest numbers of food insecure persons, estimated at 2.87 million and 2.83 million, respectively. While both countries are expected to endure successive annual production declines, Zimbabwe's use of the US dollar, given its strength against the South African rand, has contributed to mitigating large price gains, limiting the adverse impact on food access. In southern parts of **Angola**, **Madagascar** and **Mozambique**, food security conditions have been severely stressed by the drought conditions. In addition, reduced oil prices in Angola lowered the Government's response capacity. In central provinces of Mozambique the heightened risk of civil insecurity, following confrontations between the Government and the opposition, is undermining food security in the affected areas, with an estimated 10 000 Mozambicans fleeing to Malawi as a result. Higher prices, driven by the recent record highs in **South Africa**, and reduced harvests have negatively impacted food security in the import-dependent countries of **Lesotho**, **Namibia** and **Swaziland**.

The current number of food insecure is expected to rise, pending the release of the Vulnerability Assessment Committees (VACs) reports in late June. The situation is further compounded by the likely deterioration in households' agricultural productive capacity due to consecutive reduced harvests. It is critical that support be provided for immediate food assistance and recovery interventions that contribute to building the resilience of the affected households. FAO is currently implementing a region-wide response plan in close cooperation with national governments.

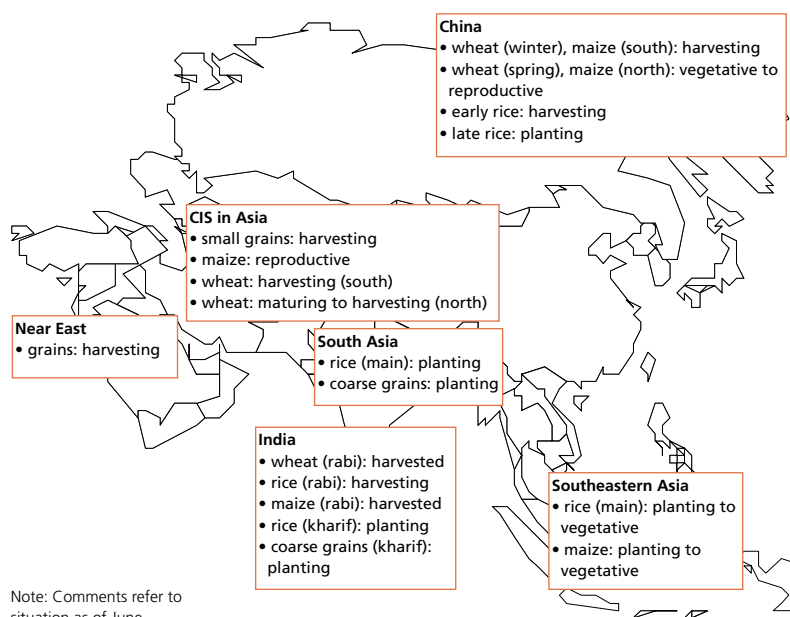
Further ahead, forecasts point to an increased likelihood of a La Niña episode occurring during the 2016/17 cropping season starting from October this year. As La Niña is historically associated with increased rains in the subregion, this raises the possibility of flooding; although higher precipitation could also facilitate improved crop performance. Close monitoring of the situation is warranted.

³ This figure excludes the estimated number in South Africa, as it is based on a poverty score and is not comparable with other regional figures.

FAR EAST

Cereal production forecast to recover in 2016

Harvesting of the 2016 wheat crop is almost complete in the subregion, while the 2016 season for rice and maize is well advanced along and south of the equator where the main season crops are being harvested. In Northern Hemisphere countries, which account for the bulk of subregion's rice and maize outputs, the 2016 main season crops are currently being or about to be, planted. Based on the latest wheat production estimates and early prospects for the coarse grains and rice seasons, and assuming a normal monsoon season, FAO's preliminary forecast for the subregional 2016 cereal output stands at 1 243 million tonnes (rice in paddy terms), 7 million tonnes (0.6 percent) above last year's reduced level and close the record high of 2014. The bulk of this year's expected increase would result from a 6.4 million-tonne recovery in the paddy output, forecast at 668.5 million tonnes. Many countries in the subregion, that endured unseasonable dryness linked to the El Niño episode last year, could see rice production recover in 2016. This is expected to be the case particularly in **India**, where paddy production is preliminarily forecast to increase to 158.4 million tonnes, more than 3 million tonnes above last year's reduced level. Similarly, in **Thailand** the 2016 paddy production is foreseen to rise by 6 percent to 30.3 million tonnes from the drought-reduced 2015 output. This level would



imply only a partial recovery, considering the weather-related uncertainties and the Government's efforts to encourage a shift away from rice cultivation. Elsewhere, the 2016 rice production is expected to return to average levels in **Myanmar, Nepal, the Philippines, the Lao People's Democratic Republic and Cambodia**. In the **Democratic People's Republic of Korea (DPRK)**, early forecasts also point to a partial recovery in the 2016 rice output, supported by above-average rains since the start of the season in late April and improved water supply for irrigation. In **China** (Mainland), the 2016 paddy production is expected to increase to a new record level of 209.3 million tonnes. In **Indonesia**, the 2016 season is more advanced, with

Table 11. Far East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
Far East	252.9	246.7	248.2	322.5	327.1	326.1	667.6	662.1	668.5	1 243.0	1 235.8	1 242.8	0.6
Bangladesh	1.3	1.4	1.4	2.6	2.7	2.7	51.8	52.4	52.3	55.7	56.5	56.3	-0.3
Cambodia	0.0	0.0	0.0	0.5	0.5	0.8	9.3	9.2	9.4	9.9	9.7	10.2	4.5
China	126.2	130.2	129.0	225.2	234.5	229.8	208.2	209.8	211.0	559.6	574.5	569.8	-0.8
India	95.9	86.5	89.0	43.1	38.3	41.7	158.2	155.0	158.4	297.1	279.8	289.1	3.3
Indonesia	0.0	0.0	0.0	19.0	19.4	19.0	70.8	73.0	71.9	89.9	92.4	90.9	-1.6
Japan	0.9	1.0	0.9	0.2	0.2	0.2	10.8	10.5	10.6	11.8	11.7	11.7	-0.2
Korea Rep. of	0.0	0.0	0.0	0.2	0.2	0.2	5.6	5.8	5.6	5.9	6.0	5.9	-2.6
Myanmar	0.2	0.2	0.2	1.6	1.5	1.5	28.2	27.5	28.0	30.1	29.2	29.7	1.9
Nepal	2.0	1.6	1.9	2.5	2.6	2.6	4.8	4.3	4.8	9.3	8.4	9.3	10.7
Pakistan	26.0	25.5	25.5	5.2	5.4	5.5	10.5	9.9	9.9	41.7	40.8	40.9	0.2
Philippines	0.0	0.0	0.0	7.8	7.5	7.7	18.9	17.9	18.7	26.7	25.4	26.4	3.8
Thailand	0.0	0.0	0.0	4.9	4.8	4.9	33.2	28.7	30.3	38.1	33.5	35.2	5.0
Viet Nam	0.0	0.0	0.0	5.2	5.3	5.2	45.0	45.2	44.5	50.2	50.5	49.7	-1.6

Note: Totals and percentage change computed from unrounded data.

harvesting of the 2016 main season crop almost complete. The belated onset of the rainy season and erratic precipitation in the first part of the season, under the influence of El Niño, delayed planting activities, particularly in the rainfed perimetres, and is expected to reduce yields for the early planted crops. The 2016 aggregate paddy production in **Viet Nam** is forecast to contract by 2 percent to 44.5 million tonnes, mainly the result of reduced water availabilities and severe salinity intrusion negatively affecting the 2016 main winter/spring and summer/autumn crops. In **Timor-Leste**, rice production is expected to decline in 2016 for the second consecutive year due to dry conditions.

FAO's latest estimate for the 2016 aggregate wheat production, including the forecast of the minor spring wheat crop, stands at 248.2 million tonnes, marginally above last year's reduced level. The small increase in 2016 is mainly attributed to a 3 percent recovery in **India's** production to 89 million tonnes, reflecting a return to near-normal yields that are expected to more than compensate for reduced plantings. In **China**, the wheat output is now expected to fall marginally to 129 million tonnes, despite an expansion in plantings, as a result of dry conditions in the northern main producing provinces that lowered yield prospects. In **Pakistan**, the 2016 wheat production is estimated at 25.5 million tonnes, similar to last year's good level. Favourable weather conditions in **Bangladesh** and **Nepal** boosted wheat production to bumper levels. In the **DPRK** and **Mongolia**, the 2016 wheat production is expected to recover partially from last year's drought-reduced crop.

The 2016 subregional maize output is projected to decrease marginally to 295.7 million tonnes, mostly reflecting a 4.6 million-tonne reduction in **China** (Mainland), driven by a projected 9 percent contraction in plantings. The reduced area sown is in response to the Government's efforts to lower stocks, firstly by decreasing the procurement price, and subsequently by terminating the maize purchasing and stock piling programme as a disincentive to production.

Reduced cereal output in 2015 following El Niño-induced dry weather

With the 2015 season almost complete, FAO's estimate of the 2015 aggregate cereal production has been lowered by 1.8 million tonnes since March, to 1 236 million tonnes, down marginally from the record in 2014. The year-on-year decrease reflects reduced outputs in several countries, in particular **India**, where the 2015 cereal production is estimated to have fallen by 17.3 million tonnes to 279.8 million tonnes, as a result of unfavourable weather conditions. The steep decrease in India's cereal production

was partly offset by a significant increase in **China's** (Mainland) output that reached a record of 572.9 million tonnes, up 15.1 million tonnes from 2014's level. Both an expansion in plantings, reflecting strong Government production incentives, and higher yields, due to beneficial weather conditions, supported the year-on-year production gain. Prolonged dry weather during the main and secondary seasons associated with El Niño, reduced cereal outputs in **Cambodia, DPRK, the Lao People's Democratic Republic, Mongolia, Nepal, the Philippines** and **Timor-Leste**. Similarly, in **Thailand**, prolonged dry weather, coupled with extreme low water availabilities, resulted in a 4.7 million-tonne drop in the 2015 cereal output, mainly consisting of rice. By contrast, favourable weather conditions lifted cereal outputs in **Bangladesh, Bhutan, Republic of Korea, Malaysia** and **Sri Lanka**.

Cereal trade expected to decrease marginally in 2016/17

The *Far East* subregion is a net exporter of rice and net importer of wheat. Aggregate cereal imports in the 2016/17 marketing year are anticipated to contract by 6 percent, compared to 2015/16, but remain 9 percent above the five-year average. The bulk of the decrease reflects lower demand for barley and sorghum by **China** (Mainland), whose imports are forecast to fall by 41 percent to 5 million tonnes and 31 percent to 5.5 million tonnes, respectively, from 2015/16. The reduced barley and sorghum demand follows the implementation of Government policies to diminish the large national maize inventories, which resulted in falling domestic prices and subsequent increases in maize demand for feed at the expense of sorghum and barley. Similarly, 2017 rice imports in the subregion are expected to decline by 9 percent to 14 million tonnes.

Aggregate cereal exports in 2016/17 are forecast to decrease slightly from last year's level, mainly due to an expected 10 percent drop in exportable surpluses from **India**. With regard to rice, exports in 2017 may decrease slightly to 35.5 million tonnes.

Table 12. Far East cereal production and anticipated trade in 2016/17¹
(thousand tonnes)

	Avg 5-yrs (2011/12 to 2015/16)	2015/16	2016/17	2016/17 over 2015/16 (%)	2016/17 over 5-yr avg (%)
Cereals - Exports	44 799	40 774	40 439	-0.8	-9.7
Cereals - Imports	109 224	125 979	118 780	-5.7	8.7
Cereals - Production	999 955	1 013 455	1 018 311	0.5	1.8
Rice-milled - Exports	35 040	36 721	35 534	-3.2	1.4
Rice-milled - Imports	13 923	15 363	14 021	-8.7	0.7
Rice-milled - Production	440 618	439 708	444 012	1.0	0.8
Wheat - Exports	5 436	2 679	2 703	0.9	-50.3
Wheat - Imports	38 876	41 654	41 337	-0.8	6.3
Wheat - Production	244 226	246 653	248 211	0.6	1.6

¹ Marketing year July/June for most countries. Rice trade figures are for the second year shown.

Figure 5. Rice retail prices in selected Far East countries

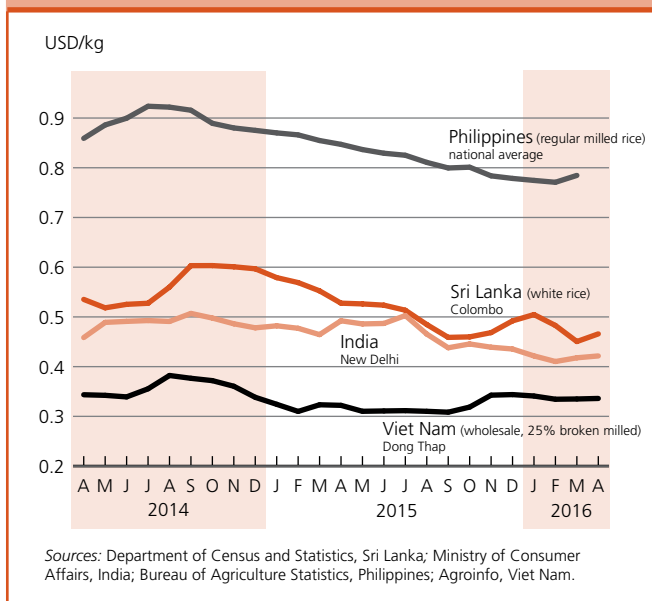
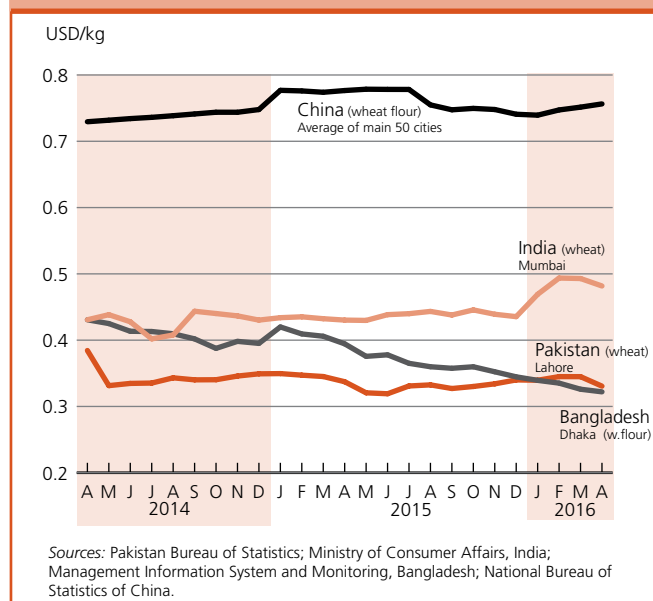


Figure 6. Wheat and wheat flour retail prices in selected Far East countries



Rice prices strengthened in exporting countries

After mixed trends in previous months, domestic prices of rice, in local currencies, generally strengthened in April and were higher than a year earlier, supported by reduced secondary season outputs following severe dry weather related to El Niño. The price increases were most pronounced in rice exporting countries, particularly in **Thailand** and **Cambodia**, where export sales to traditional buyers also contributed to the upward pressure. In **Viet Nam**, quotations rose for the second consecutive month in April and were higher than a year earlier, despite the arrival of the 2016 main winter/spring crop into the market, reflecting concerns over crop losses due to the ongoing dry weather and salinity problems. In **Myanmar**, two consecutive seasons of production shortfalls kept prices one-third higher than a year earlier. In **India**, continuing Government procurement kept prices stable in recent months. In **Sri Lanka**, after steep decreases in previous months, rice prices recovered somewhat in April following the completion of the main crop harvest. By contrast, in **Indonesia** and **Bangladesh**, prices of rice continued to fall with the arrival of 2016 main season harvests. Prices of wheat and wheat flour remained stable or weakened in recent months. In **India**, wheat prices were steady, despite the new supplies from the 2016 main crop, as the output is expected to be below average. In addition, large ongoing Government purchases also prevented price decreases. Wheat flour prices were also stable in **China**. However, they declined in **Pakistan**, as a result of improved availabilities from the ongoing 2016 wheat harvest, and in **Bangladesh**, following large-scale stock sales through the Open Market Sale Scheme.

NEAR EAST

Above-average wheat production forecast in 2016

Harvesting of the 2016 winter cereal crops began in May and early estimates indicate an aggregate subregional wheat crop of about 44.8 million tonnes, matching last year's above-average output. Total cereal production in 2016 is also forecast at an above-average level of 71.3 million tonnes, but down from the high level of the previous year. In Turkey, the main producer in the subregion, the first estimate from the Turkish Statistical Institute indicates a 4 percent decrease in cereal production in 2016 compared to last year, to about 37 million tonnes, though still remaining higher than the average. The forecast includes 22 million tonnes of wheat (3 percent decrease on last year) and 14.2 million tonnes of coarse grains (6 percent decrease). In **the Islamic Republic of Iran**, the second biggest wheat producer in the subregion, the 2016 production of 12.5 million tonnes exceeds the 2015 harvest by 1 million tonnes and the five-year average by 28 percent. In **Afghanistan**, despite higher-than-usual winter temperatures that diminished water moisture, an about average wheat harvest of 4.6 million tonnes is forecast in 2016.

In **the Syrian Arab Republic**, the ongoing conflict, lack of inputs, damage to agricultural machinery, irrigation systems and storage facilities, together with disruptions in electricity supplies, has continued to erode the country's agricultural productive capacity. In addition, precipitation during and following the planting season has been inconsistent across the country and temperatures have been higher than average, reducing water moisture. This has resulted in

Table 13. Near East cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
Near East	41.3	44.9	44.8	20.3	22.9	21.8	4.4	4.5	4.7	65.9	72.4	71.3	-1.4
Afghanistan	5.4	4.7	4.6	0.7	0.7	0.7	0.8	0.6	0.7	6.9	6.0	6.0	-0.9
Iran (Islamic Rep. of)	10.6	11.5	12.5	3.7	3.9	3.9	2.3	2.7	2.8	16.7	18.1	19.2	6.1
Iraq	3.5	3.2	3.0	1.2	1.1	1.0	0.4	0.3	0.4	5.1	4.6	4.4	-4.3
Syrian Arab Republic	1.9	2.4	2.2	0.8	1.1	1.0	0.0	0.0	0.0	2.6	3.6	3.2	-8.9
Turkey	19.0	22.6	22.0	12.9	15.1	14.2	0.8	0.9	0.9	32.8	38.6	37.1	-3.8

Note: Totals and percentage change computed from unrounded data.

below-average vegetation conditions in Aleppo, Idlib and Homs. However, in the main growing area of Hassakeh in the west of the country, above-average rainfall was recorded and vegetation conditions, based on remote sensing analysis, suggest satisfactory crop development; almost half of the 2016 national wheat planted area is in Hassakeh. At this point, a below average wheat harvest of 2.2 million tonnes is expected in the Syrian Arab Republic. In **Iraq**, the wheat harvest is forecast at an average level of 3 million tonnes.

In **Yemen**, during the first half of April, several desert locust adult groups and swarms formed along the southern coast. As vegetation dried out, the locusts moved into adjacent interior areas. The full extent of infestations in the interior is unknown due to difficulties in conducting surveys in insecure and remote areas. There remains a high risk that locust numbers will increase further. New swarms could form in the interior from Marib to Thamud from early June onwards.

The subregion both exports and imports grain. Wheat imports in the 2015/16 marketing year are estimated at 24.7 million tonnes, 20 percent below the previous year and 5 percent above the five-year average.

No improvement in conflict-stricken Iraq, the Syrian Arab Republic and Yemen

In the **Syrian Arab Republic**, approximately 13.5 million people continue to be in need of urgent humanitarian assistance within the country, including more than 6.5 million people who are internally displaced. As of mid-May 2016, over 4.7 million Syrian refugees were registered overall in Egypt, Iraq, Jordan, Lebanon and Turkey. In addition, a large share of the population lives abroad without seeking refugee registration. In **Iraq**, as of December 2015, there were at least 4 million people internally displaced, nearly 2 million of whom have been displaced since January 2014.

In **Yemen**, around 21.2 million people, 82 percent of the population, require some kind of humanitarian assistance to meet their basic needs or protect their fundamental rights. An

estimated 14.4 million are food insecure (including 7.6 million severely food insecure), 19.3 million lack adequate access to clean water or sanitation and nearly 320 000 children have severe acute malnutrition. With the rapid escalation of the conflict and insecurity, and the consequent disruption of markets, employment opportunities and rural livelihoods, the food security situation continues to deteriorate significantly. Delivery of humanitarian assistance has been seriously constrained by the lack of access and shortages of fuel, as well as the challenging security situation.

CIS IN ASIA⁴

Cereal production forecast at an average level in 2016

Sowing of 2016 spring cereal crops is virtually complete under generally satisfactory conditions, while winter crops are already maturing. The 2016 subregional cereal production (including winter and spring seasons) is forecast at 32.7 million tonnes, somewhat below last year's high level. Production of the main wheat crop is expected to decline slightly to 25 million tonnes. This mainly reflects a reduced harvest in **Kazakhstan**, where wheat production is put at 13.5 million tonnes, down 2 percent from last year's level. A return to average yields, after the bumper levels in the previous year, is the main reason for the anticipated decline in production.

In the Caucasian countries, **Armenia** and **Azerbaijan**, the early 2016 forecasts point to average cereal outputs, reflecting favourable weather conditions since the beginning of the cropping season. In **Georgia**, total cereal production is expected to decline by 12 percent on account of reduced wheat production. Assuming a return to normal yields from last year's record level, the early forecast for the 2016 wheat crop points to an output of 100 000 tonnes, just half of the exceptionally high outturn of last year.

⁴ Georgia is no longer a member of CIS but its inclusion in this group is maintained for the time being.

In **Kyrgyzstan**, the country's total cereal production in 2016 is forecast at about 1.4 million tonnes, 20 percent down from the good harvest in 2015, mostly due to an anticipated smaller wheat crop. The decline is mainly attributed to a reduced planted area after the country joined the Eurasian Customs Union that facilitates the access to abundant supplies of good quality wheat from Kazakhstan and the Russian Federation. Some decline in production is also expected in **Tajikistan** due to smaller wheat and barley outputs.

In **Turkmenistan** and **Uzbekistan** the outlook for the 2016 cereal crops is amid generally beneficial weather conditions since the beginning of the cropping season.

Cereal exports forecast to decrease in 2016/17, while imports expected to stay close to last year's level

Aggregate cereal shipments from **Kazakhstan**, the main exporter in the subregion, are forecast at 6.5 million tonnes in the 2016/17 marketing year (July/June), 6 percent below the high level of the previous year, a decline consistent with current expectations of smaller wheat and coarse grains harvests.

The other countries of the subregion heavily depend on cereal imports, mainly wheat and wheat flour from Kazakhstan and the Russian Federation. Total subregional cereal imports in the 2016/17 are forecast to rise slightly from the previous year's level, mainly due to higher demand from **Azerbaijan** and **Kyrgyzstan**.

Wheat prices are lower than a year earlier

In **Kazakhstan**, export prices of milling wheat have increased over the past two months, mostly supported by strong demand, but remain well below their year-earlier levels. In the import-dependent countries, prices of wheat and wheat products stayed weak or declined reflecting generally low export quotations. In **Kyrgyzstan**, the national average price of wheat flour has remained unchanged. In **Tajikistan**, the national average price of wheat flour decreased from its record high of January and was close to its year-earlier level. However, the generally weak currency limited further declines. Similarly, prices

Table 14. CIS in Asia cereal production

(million tonnes)

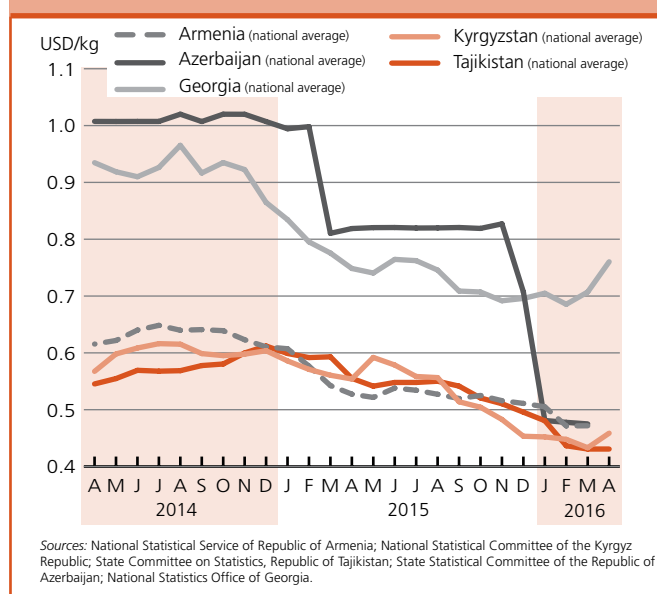
	Wheat			Coarse grains			Total cereals ¹			Change: 2016/2015 (%)
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	
CIS in Asia	25.1	25.9	25.4	6.4	6.9	6.4	32.3	33.7	32.7	-2.9
Armenia	0.3	0.4	0.4	0.2	0.2	0.2	0.5	0.6	0.6	-0.1
Azerbaijan	1.4	1.7	1.7	1.0	1.0	1.0	2.5	2.7	2.7	-1.1
Georgia	0.1	0.2	0.1	0.4	0.3	0.4	0.4	0.6	0.5	-11.8
Kazakhstan	13.0	13.7	13.5	3.4	3.8	3.5	16.8	17.9	17.4	-3.0
Kyrgyzstan	0.6	0.7	0.6	0.8	1.0	0.8	1.4	1.8	1.4	-20.0
Tajikistan	0.9	0.9	0.8	0.3	0.3	0.2	1.2	1.2	1.1	-6.1
Turkmenistan	1.2	1.4	1.4	0.1	0.1	0.1	1.4	1.6	1.6	-0.1
Uzbekistan	7.6	7.0	7.0	0.3	0.2	0.3	8.1	7.4	7.5	0.9

Note: Totals and percentage change computed from unrounded data.

¹ Total cereals includes wheat, coarse grains and rice (paddy).

of wheat flour fell in **Armenia** and in **Belarus** over the last three months. By contrast, prices of imported wheat flour continued to rise in **Azerbaijan** and rose slightly in **Georgia**, remaining in both countries above their year-earlier levels largely because of weak national currencies. In **Uzbekistan**, where the Government sets the maximum price for the main food products, wheat flour prices remained unchanged over the past months, but some 10 percent higher than the corresponding period last year.

Figure 7. Retail wheat flour prices in selected CIS in Asia countries



CENTRAL AMERICA AND THE CARIBBEAN

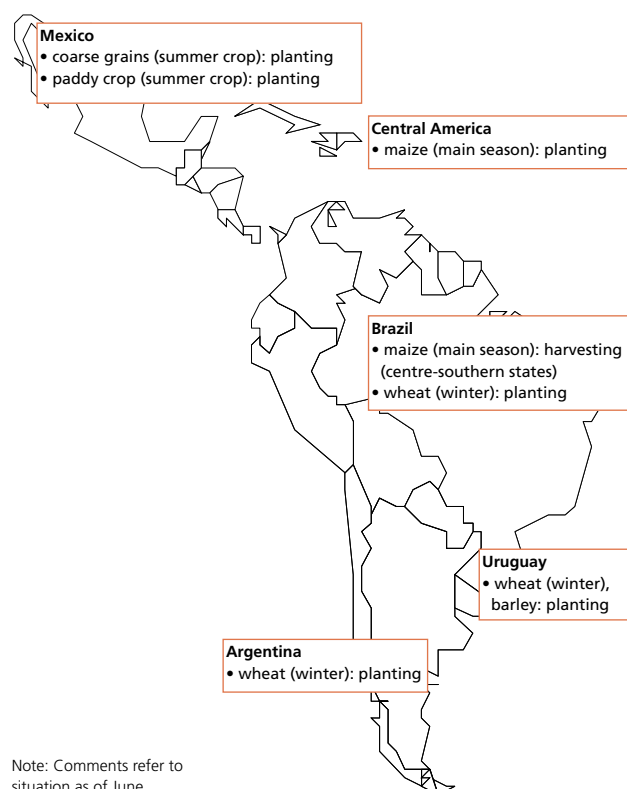
Wheat production in 2016 is anticipated to increase

In **Mexico**, virtually the only wheat producer in the subregion, the harvest of the main 2016 autumn-winter crop will conclude in June. The early forecast for the aggregate 2016 wheat output (including the autumn-winter and minor spring-summer seasons), stands at 4.3 million tonnes, about 2 percent up on the previous year, mostly reflecting higher yields, as the area planted remained virtually unchanged.

Maize production in 2016 to remain high, despite an anticipated decline in main producer Mexico

FAO's preliminary estimate of the subregion's aggregate 2016 maize production points to a decrease of 3 percent from 2015, to an above-average level of 27.8 million tonnes. The anticipated contraction mainly reflects a reduced output in **Mexico**, which accounts for 85 percent of the subregional total. Official forecasts put national production down 3 percent from 2015 to 23.5 million tonnes, due to anticipated lower sowings for the main 2016 spring-summer crop, currently being planted, as a result of late and below-average precipitation that delayed plantings operations.

Excluding Mexico, prospects for the 2016 maize crop (first and second season) are uncertain. Although the El Niño phenomenon has weakened considerably and is anticipated to subside by the end of the planting season in July, rainfall levels are still being impacted and drought conditions prevail in large areas. Planting of the main "de primera" season, which represents between 40 and 60 percent of the total maize output in **El Salvador**, **Guatemala**, **Honduras** and **Nicaragua**, is underway. While no



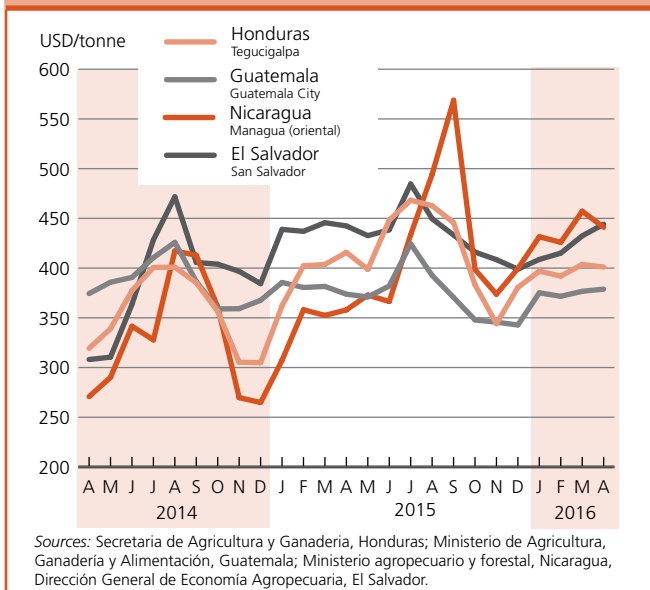
official estimates exist about planting levels, latest remote sensing data indicates that rainfall levels were somewhat below average from April 2016 up to the first dekad of May 2016 in important producing regions in El Salvador and Guatemala. By contrast, in Honduras and Nicaragua, rainfall levels were about average in the same period. In **Haiti**, where sowing of the main 2016 spring season is also underway, rainfall levels were well above average in the 20-day period up to the first dekad of May 2016.

Table 15. Latin America and Caribbean cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
Central America & Caribbean	3.7	4.2	4.3	36.3	36.9	36.1	3.0	2.8	2.8	43.0	43.9	43.3	-1.5
El Salvador	0.0	0.0	0.0	1.0	0.8	1.0	0.0	0.0	0.0	1.0	0.8	1.0	17.9
Guatemala	0.0	0.0	0.0	1.8	1.7	1.8	0.0	0.0	0.0	1.9	1.8	1.8	2.5
Honduras	0.0	0.0	0.0	0.4	0.4	0.6	0.1	0.0	0.1	0.5	0.4	0.6	39.0
Mexico	3.7	4.2	4.3	31.8	32.8	31.4	0.3	0.2	0.2	35.8	37.3	35.9	-3.6
Nicaragua	0.0	0.0	0.0	0.5	0.4	0.5	0.5	0.5	0.5	0.9	0.9	1.0	14.3
South America	24.4	20.6	23.8	137.8	148.0	144.4	24.7	25.6	23.4	187.0	194.1	191.6	-1.3
Argentina	13.9	11.3	14.0	39.9	42.4	45.4	1.6	1.6	1.4	55.4	55.2	60.8	10.2
Brazil	6.3	5.4	5.6	82.9	88.3	83.9	12.1	12.4	11.0	101.3	106.1	100.5	-5.3

Note: Totals and percentage change computed from unrounded data.

Figure 8. Wholesale white maize prices in selected countries in Central America



Prices of white maize relatively stable in April

In most countries, white maize prices in April remained close to the previous month's values, with continuing imports contributing to supplying markets affected by reduced domestic availabilities. In the capital city markets of **Honduras** and **Guatemala**, prices were virtually unchanged in April and only slightly higher than in the corresponding period last year. In **Nicaragua** and **Haiti**, however, maize prices remained well above their year-earlier levels due to the tight domestic supplies following the drought-reduced 2015 harvests. In **Mexico**, prices were also higher than a year earlier, supported by currency weakness.

SOUTH AMERICA

Cereal production in 2016 to remain high, although down from previous year's record

FAO's latest forecast for 2016 cereal production in the subregion stands at 191.6 million tonnes, slightly down from earlier expectations and 4 percent below the record in 2015. The recent downward revision mainly reflects a deterioration in prospects for the second season maize harvest in **Brazil**, where dry conditions related to El Niño persist. Maize production is now forecast at 81 million tonnes, below last year's record, but still above the previous five-year average. By contrast, in **Argentina**, the 2016 maize output is forecast at a record 37.9 million tonnes, almost 12 percent above the previous high achieved last year. Producers were incentivized to increase plantings by the removal of export

controls and the weak national currency, boosting demand for Argentine maize for export. Elsewhere, the forecast for maize production, which accounts for about 10 percent of the subregional total cereal output, is mixed. In **Bolivia**, **Chile**, and **Paraguay**, maize outputs are anticipated to decline slightly from 2015, due to low prices and lower yields, because of dry weather. By contrast, maize production is anticipated to remain stable in **Ecuador** and increase in **Peru**.

The early forecast for the 2016 wheat output in the subregion points to an increase of 16 percent from last year's level to almost 24 million tonnes. Sowing is underway and overall plantings are anticipated to increase in response to strong demand and high prices, particularly in **Argentina**, where export restrictions have been lifted, and in **Brazil**, the main producers. In **Chile**, where the 2016 wheat crop was already harvested in February, production is estimated at 1.6 million tonnes, 8 percent above last year's level.

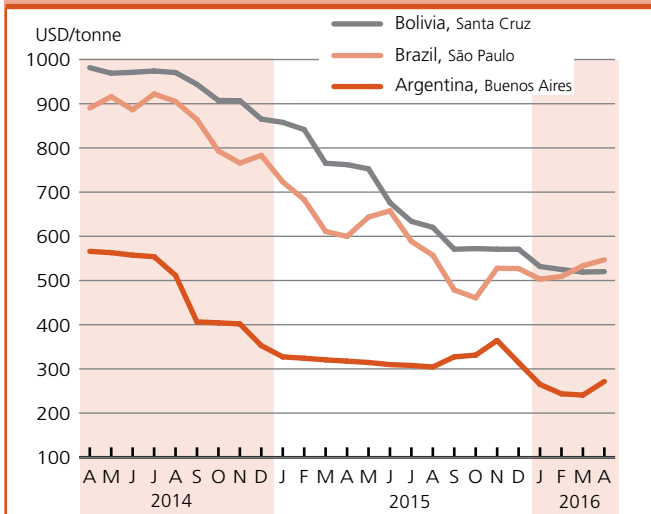
Cereal exports anticipated to remain high in 2016/17 although down from the previous year

Aggregate exports of cereals in the 2016/17 marketing year, the bulk of which is maize, are forecast to decrease by 3 percent to 71.3 million tonnes, still the second largest volume on record. In **Argentina**, maize exports are anticipated at 21 million tonnes in the 2016/17 marketing year (March/February), up 13 percent from the previous year's level. Higher export volumes are largely underpinned by the removal of export restrictions. By contrast, in **Brazil**, maize exports are forecast at 30 million tonnes in the 2016/17 marketing year (March/February), 13 percent lower than the previous year, reflecting an expected reduced output from the second season harvest.

Maize prices at record highs in Argentina and Brazil, while wheat prices well below year-earlier values

In Argentina and Brazil, the prices of yellow maize increased sharply in April and reached all-time highs in nominal terms. In **Argentina**, they were underpinned by strong exports, themselves supported by the weak local currency and the recent elimination of export taxes. In **Brazil**, the increase in prices was triggered by strong domestic demand and demand for export and, more recently, by concerns about the impact of dry weather on the 2016 second season maize crop. The high prices led the Government to remove the import duties on maize in late April. Maize prices also increased in **Peru**, a minor producing country, following a recent decline in imports. Elsewhere in the subregion, in **Bolivia**, **Chile** and **Ecuador**, maize prices declined significantly with the 2016 harvest and were below their year-earlier levels. By contrast, in **Colombia**, yellow maize prices in April were more than 10 percent higher, supported by the weak local currency, despite its recent strengthening.

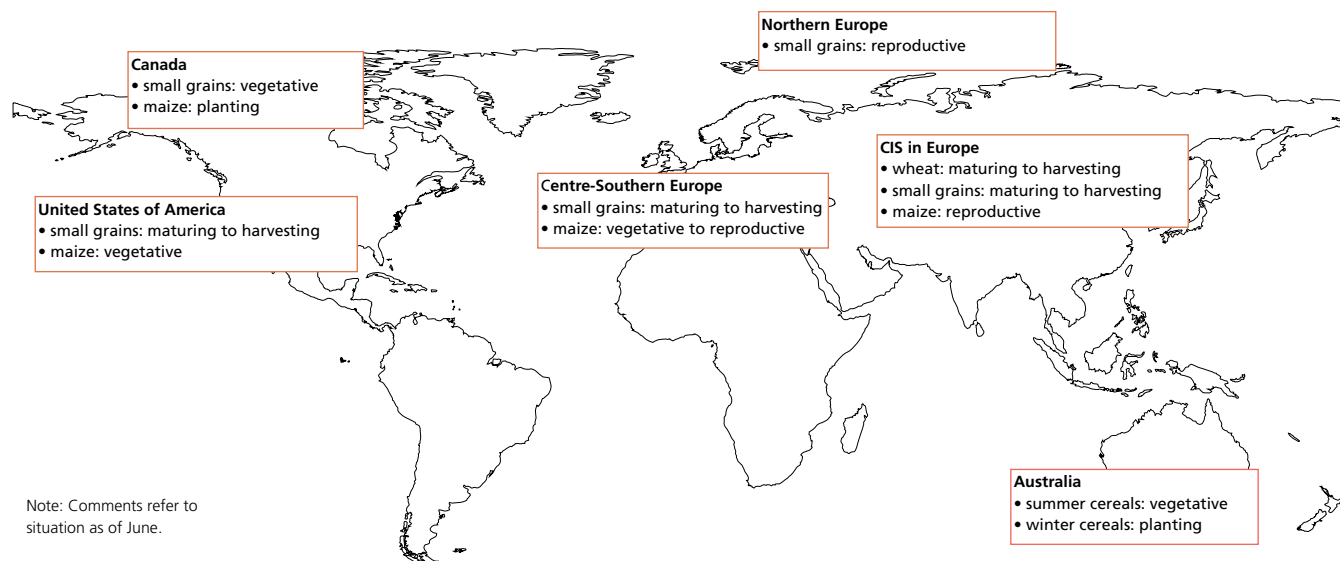
Figure 9. Wholesale wheat flour prices in selected countries in South America



Sources: Servicio Informativo de Mercados Agropecuarios, Bolivia; Instituto de Economía Agrícola, Brazil; Bolsa de Cereales, Argentina.

Prices of wheat grain continued to increase in the key exporting country of **Argentina**, and were more than double their values in April last year. The high prices reflect strong exports as a result of the currency depreciation and the relaxation of export controls, which also triggered a 9 percent increase in prices of wheat flour in April. In **Brazil**, prices of wheat grain remained virtually unchanged and were more than 20 percent higher than in April last year, mainly due to a reduced 2015 crop. Prices of wheat flour, however, weakened further, reflecting adequate imports, although they remained above their year-earlier levels. In **Chile**, wheat prices increased seasonally in April but were still significantly below their values of last year reflecting good domestic availabilities. In **Bolivia**, **Ecuador** and **Peru**, prices of wheat flour remained virtually unchanged in April and were overall down from a year earlier on account of adequate import volumes. By contrast, in **Colombia**, prices were up from the previous year due to the weak local currency.

Crop Prospects and Food Situation



NORTH AMERICA

Area reductions curtail United States of America's wheat production, while maize output is forecast to reach a record

Conditions for the 2016 wheat crop in the **United States of America** improved in the past few weeks, with widespread rains in April throughout the main producing areas, alleviating earlier concerns about dry conditions in some southern parts. As of late May, 62 percent of the crop was rated good to excellent, much better than the situation at the same time last year. Regarding spring wheat, by late May, the bulk of the crop was planted and was reported to be developing well ahead of average and, also, in mostly good to excellent condition. However, despite the generally promising state of the crops

at this stage, which point to increased yields compared to last year, given the large reduction in the area sown, the aggregate wheat output in 2016 is forecast to decline by 2.5 percent to 54.4 million tonnes, which would be the smallest harvest since 2011. Regarding maize, favourable weather at the start of the season hastened plantings and boosted the area sown. Thus, even if yields should retreat somewhat from the bumper levels of the past two years, output in 2016 is forecast to increase to a record 366.5 million tonnes. In **Canada**, despite a decline in the spring sown wheat area, which accounts for the bulk of the wheat production, output is forecast to recover to 28.9 million tonnes, reflecting an expected recovery in yields from their 2015 drought-reduced levels. The relatively small maize crop grown by the country is forecast just below the above-average output in 2015, mainly a result of lower expected yields.

Table 16. North America, Europe and Oceania cereal production
(million tonnes)

	Wheat			Coarse grains			Rice (paddy)			Total cereals			
	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	2014	2015 estim.	2016 f'cast.	Change: 2016/2015 (%)
North America	84.6	83.4	83.3	399.6	393.0	408.4	10.1	8.7	10.5	494.3	485.1	502.1	3.5
Canada	29.4	27.6	28.9	22.1	25.7	25.8	0.0	0.0	0.0	51.5	53.3	54.7	2.5
United States	55.1	55.8	54.4	377.6	367.2	382.6	10.1	8.7	10.5	442.8	431.8	447.4	3.6
Europe	249.0	256.3	246.3	272.2	238.1	254.3	4.0	4.2	4.2	525.2	498.6	504.9	1.2
Belarus	2.9	2.5	2.7	6.1	5.5	5.6	0.0	0.0	0.0	9.0	8.0	8.3	3.2
EU	157.1	160.5	154.0	171.7	150.0	160.7	2.9	3.0	3.0	331.7	313.4	317.6	1.3
Russian Federation	59.7	61.8	62.5	42.4	39.5	41.8	1.0	1.1	1.1	103.1	102.4	105.5	3.0
Serbia	2.3	2.4	2.4	7.7	5.9	5.9	0.0	0.0	0.0	10.0	8.3	8.3	0.5
Ukraine	24.1	26.5	22.0	39.7	33.4	36.0	0.1	0.1	0.1	63.8	60.0	58.1	-3.2
Oceania	23.4	24.5	24.8	11.9	13.1	13.0	0.8	0.7	0.3	36.1	38.4	38.2	-0.6
Australia	23.1	24.2	24.5	11.3	12.6	12.5	0.8	0.7	0.3	35.2	37.5	37.3	-0.6

Note: Totals and percentage change computed from unrounded data.

EUROPE

European Union**Prospects for European Union's cereal crops generally favourable**

In the **European Union (EU)**, overall prospects for the 2016 cereal harvests are generally favourable. Widespread spring rains were beneficial for the development of winter cereals and boosted soil moisture reserves for germination and emergence of the spring-planted crops. Based on information as of mid-May, and assuming normal conditions for the remainder of the season, the EU's total wheat crop in 2016 is now forecast at 154 million tonnes, 4 percent below last year's good output, largely due to reduced plantings. Regarding the maize crop sown in the spring, plantings are forecast to increase this year, and assuming a return to average yields after last year's low levels, output is expected to rebound to 66 million tonnes. Output of barley, also an important crop in the EU, is forecast to increase in 2016 to 62 million tonnes.

CIS in Europe**Cereal production is forecast to decline in 2016 but remain above average**

The 2016 winter cereal crops are maturing, while planting of the spring crops is nearing completion. FAO's latest forecast for the subregion's aggregate cereal output in 2016 stands at 172.6 million tonnes, slightly down from the high level of last year, of which wheat production is expected at 88.2 million tonnes, 4 percent down from 2015.

The decline in the subregional cereal output, mainly reflects unfavorable prospects in **Ukraine**, where a sharp fall in wheat production is anticipated due to adverse weather conditions during the planting of the winter crop. Latest forecasts put the 2016 output at 22 million tonnes, nearly 17 percent below last year's bumper crop. In the **Russian Federation**, unfavourably dry weather last autumn, during planting, raised some early concerns over the winter cereal prospects for the 2016 harvest. However, favourable winter and spring weather benefitted the development of winter crops and the planting of spring cereals, resulting in an improved outlook in 2016. As a result, the aggregate wheat output is tentatively forecast at 62.5 million tonnes, just 2 percent below the record in 2008. In **Belarus**, cereal production in 2016 is forecast to increase by 3 percent from last year, reflecting increased winter wheat plantings and favourable weather during the cropping season. In the **Republic of Moldova**, cereal production is expected to rebound in 2016 after last year's drought-reduced harvest. Wheat production is forecast to increase by 9 percent from last year, while coarse grains production is expected to rise by 17.8 percent.

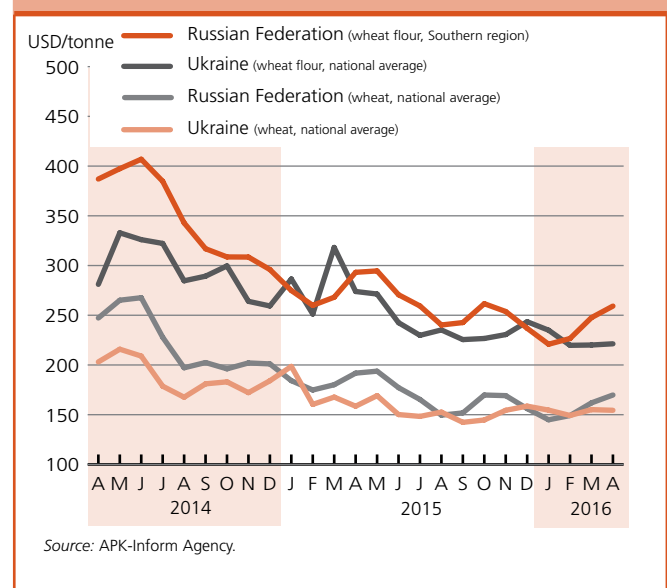
Cereal exports in 2016/17 forecast below previous year's level

Aggregate subregional cereal exports in the 2016/17 marketing year (July/June) are forecast at 61.6 million tonnes, down 8 percent from the record volume shipped in 2015/16. The bulk of the decrease is on account of lower expected shipments from **Ukraine**, where in view of the reduced production prospects, wheat exports are forecast to drop to a low level of 10.3 million tonnes, 31 percent down from their level in the previous year. Similarly, a slightly smaller output in 2016 is expected to reduce wheat exports from **the Russian Federation**. By contrast, the subregion's 2016/17 maize shipments are projected to increase by 6 percent from the previous year's level, primarily because of an expected 7 percent rise in the exportable surplus from **Ukraine**, following a better outlook for the 2016 harvest.

Domestic prices of wheat and wheat flour well below their levels of last year, despite recent increases

In **the Russian Federation** and **Ukraine**, export prices of milling wheat started to increase slightly in April after declining for several months. Some price support came from the weakening US dollar and the anticipated reduced production in Ukraine. However, prices remain well below their levels of the corresponding period of last year, following global trends and abundant supplies at the world and subregional levels. In most of the import-dependent countries of the subregion, domestic prices of wheat and wheat products declined or remained stable, mainly reflecting the generally low export prices.

Figure 10. Wholesale wheat and wheat flour prices in Russian Federation and Ukraine



OCEANIA

Australia's wheat crop may increase in 2016, but only marginally

In **Australia**, planting of winter grains was well underway as of mid-May, especially in Western Australia where good rains in the first quarter of the year favoured a timely start to the season. Conditions have been somewhat drier in the eastern growing areas, but planting can continue up until the end of June. Therefore, weather conditions in the coming weeks will still be critical for the final area sown and the establishment of crops. With wheat prices remaining relatively weak, early indications suggest the area sown to the 2016 wheat crop will remain

virtually unchanged from the previous year, and based on normal weather conditions prevailing throughout the season, production is tentatively forecast at 24.5 million tonnes, just marginally above the 2015 output.

In the Pacific Islands, El Niño-related drought has seriously affected agriculture and drinking water supplies in **Fiji, Tonga, the Solomon Islands** and **Vanuatu**. In **Papua New Guinea**, prolonged drought since mid-2015 associated with the El Niño event and severe cold spells have seriously disrupted food production and livelihoods and led to widespread food and water shortages. Currently WFP is providing food assistance to a targeted 180 000 beneficiaries in the six most severely affected Local-Level Government areas (LLGs) (Kandep Rural, Wage Rural, Pilikambi Rural, Nomad Rural, Upper Wage, Bomai/Gumai Rural).

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Table A1. Global cereal supply and demand indicators

	Average 2009/10 - 2013/14	2012/13	2013/14	2014/15	2015/16	2016/17
1. Ratio of world stocks to utilization (%)						
Wheat	27.6	24.8	25.6	28.1	29.3	29.0
Coarse grains	17.7	15.6	18.1	20.5	20.0	19.2
Rice	31.4	33.4	35.1	35.0	33.6	32.0
Total cereals	23.3	21.8	23.6	25.5	25.3	24.5
2. Ratio of major grain exporters' supplies to normal market requirements (%)						
	117.9	108.0	121.5	122.7	122.0	117.9
3. Ratio of major exporters' stocks to their total disappearance (%)						
Wheat	18.0	14.0	14.0	16.6	18.2	19.3
Coarse grains	11.4	8.1	10.4	12.8	11.9	12.9
Rice	25.0	27.8	28.9	23.9	18.2	14.7
Total cereals	18.1	16.7	17.8	17.7	16.1	15.6
	Annual trend growth rate 2006-2015	2012	Change from previous year			
			2013	2014	2015	2016
4. Changes in world cereal production (%)						
	2.6	-2.2	9.9	1.7	-1.3	0.6
5. Changes in cereal production in the LIFDCs (%)						
	2.0	3.7	1.1	3.1	-6.4	2.7
6. Changes in cereal production in the LIFDCs less India (%)						
	2.4	5.4	0.6	6.6	-6.0	1.7
	Average 2009-2013	2012	Change from previous year (%)			
			2013	2014	2015	2016*
7. Selected cereal price indices:						
Wheat	184.3	-4.8	-4.9	-6.6	-20.5	-17.4
Maize	227.6	2.2	-12.9	-25.8	-11.8	-5.7
Rice	237.4	-4.6	0.8	0.8	-10.5	-10.3

Notes:

Utilization is defined as the sum of food use, feed and other uses.

Cereals refer to wheat, coarse grains and rice; grains refer to wheat and coarse grains.

Major wheat exporters are Argentina, Australia, Canada, the EU, Kazakhstan, the Russian Federation, Ukraine and the United States of America; major coarse grain exporters are Argentina, Australia, Brazil, Canada, the EU, the Russian Federation, Ukraine and the United States of America; major rice exporters are India, Pakistan, Thailand, the United States of America and Viet Nam.

Normal market requirements for major grain exporters are defined as the average of domestic utilization plus exports in the three preceding seasons.

Disappearance is defined as domestic utilization plus exports for any given season.

Price indices: The Wheat Price Index has been constructed based on the IGC Wheat Price Index, rebased to 2002-2004=100; for maize, the U.S. maize No.2 Yellow (delivered U.S. Gulf ports) with base 2002-2004=100; for rice, the FAO Rice Price Index, 2002-2004=100, is based on 16 rice export quotations.

*January-May average.

Table A2. World cereal stocks¹
(million tonnes)

	2012	2013	2014	2015	2016 estimate	2017 forecast
TOTAL CEREALS	549.1	528.2	589.5	644.3	644.1	642.2
Wheat	195.3	171.4	181.9	201.8	210.6	215.5
held by:						
- main exporters ²	68.5	48.3	51.6	62.3	69.8	73.2
- others	145.7	151.5	133.6	139.9	152.0	153.2
Coarse grains	207.5	195.6	235.2	268.5	264.6	262.8
held by:						
- main exporters ²	74.6	54.7	80.2	100.1	93.5	103.2
- others	138.2	148.1	149.5	170.3	188.6	185.1
Rice (milled basis)	146.4	161.3	172.4	173.9	168.9	163.8
held by:						
- main exporters ²	41.3	46.6	49.5	42.8	32.1	25.9
- others	96.2	105.1	114.7	122.9	131.1	136.8
Developed countries	153.7	117.6	137.5	163.4	170.1	186.6
Australia	9.0	6.8	6.8	6.6	7.1	6.3
Canada	9.4	8.2	15.1	10.4	8.3	8.4
European Union	32.6	24.4	29.5	36.1	37.2	40.4
Japan	5.5	6.2	5.6	5.2	5.0	5.0
Russian Federation	16.1	6.5	6.2	8.7	8.8	12.9
South Africa	2.6	2.5	1.7	3.3	3.3	2.2
Ukraine	9.8	5.0	7.3	8.2	6.4	7.3
United States	49.3	44.2	51.4	69.0	78.5	88.4
Developing countries	395.4	410.6	452.0	480.9	474.0	455.6
Asia	328.8	353.3	379.6	394.9	395.6	387.5
China	197.9	216.6	237.8	249.3	267.4	269.6
India	50.3	53.1	53.8	54.6	44.9	42.2
Indonesia	10.6	11.4	11.2	10.6	10.1	9.7
Iran (Islamic Republic of)	1.5	3.6	3.4	6.4	6.1	4.5
Korea, Republic of	3.7	3.3	3.7	4.1	4.6	4.7
Pakistan	5.2	3.5	3.9	4.5	3.8	3.0
Philippines	2.9	3.1	3.1	4.1	4.0	4.0
Syrian Arab Republic	3.5	2.6	1.9	1.1	1.3	1.2
Turkey	4.2	4.3	5.5	4.9	4.7	4.3
Africa	38.5	36.3	39.0	44.1	41.6	37.2
Algeria	3.7	4.2	5.4	5.9	6.4	6.2
Egypt	8.1	6.0	7.1	7.5	7.3	6.9
Ethiopia	2.0	1.9	1.7	2.6	2.0	1.7
Morocco	4.8	3.4	5.5	5.2	7.2	5.1
Nigeria	2.1	1.4	1.5	1.9	1.3	1.0
Tunisia	0.8	1.3	1.1	1.3	1.1	1.1
Central America	5.6	5.5	6.4	6.9	6.9	6.2
Mexico	2.3	2.6	3.3	3.6	3.9	3.2
South America	22.1	15.1	26.5	34.6	29.5	24.2
Argentina	4.8	2.1	5.8	10.0	8.5	8.6
Brazil	9.1	5.7	11.5	14.5	9.7	4.9

Note: Based on official and unofficial estimates. Totals computed from unrounded data.

¹ Stocks data are based on an aggregate of carryovers at the end of national crop years and do not represent world stock levels at any point in time.

² Major wheat exporters are Argentina, Australia, Canada, the EU, Kazakhstan, the Russian Federation, Ukraine and the United States of America; major coarse grain exporters are Argentina, Australia, Brazil, Canada, the EU, the Russian Federation, Ukraine and the United States of America; major rice exporters are India, Pakistan, Thailand, the United States of America and Viet Nam.

Table A3. Selected international prices of wheat and coarse grains
(USD/tonne)

	Wheat			Maize		Sorghum
	US No.2 Hard Red Winter Ord. Prot. ¹	US Soft Red Winter No.2 ²	Argentina Trigo Pan ³	US No.2 Yellow ²	Argentina ³	US No.2 Yellow ²
Annual (July/June)						
2003/04	161	149	154	115	109	118
2004/05	154	138	123	97	90	99
2005/06	175	138	138	104	101	108
2006/07	212	176	188	150	145	155
2007/08	361	311	318	200	192	206
2008/09	270	201	234	188	180	170
2009/10	209	185	224	160	168	165
2010/11	316	289	311	254	260	248
2011/12	300	256	264	281	269	264
2012/13	348	310	336	311	278	281
2013/14	318	265	335	217	219	218
2014/15	266	221	246	173	177	210
Monthly						
2014 - May	345	271	372	217	224	223
2014 - June	314	235	365	202	204	220
2014 - July	294	218	287	182	192	203
2014 - August	284	219	270	175	181	183
2014 - September	279	204	248	164	166	174
2014 - October	289	223	242	165	171	189
2014 - November	280	236	252	178	179	197
2014 - December	289	261	251	178	197	217
2015 - January	262	233	254	176	184	231
2015 - February	252	221	241	174	178	230
2015 - March	250	219	228	173	169	226
2015 - April	239	209	225	172	168	223
2015 - May	231	199	228	166	168	217
2015 - June	242	211	226	170	173	224
2015 - July	238	208	229	179	176	223
2015 - August	216	190	227	163	160	180
2015 - September	218	195	223	166	161	177
2015 - October	221	208	223	172	164	182
2015 - November	211	201	210	166	167	173
2015 - December	212	191	193	164	166	170
2016 - January	213	192	194	161	161	165
2016 - February	205	189	194	160	167	165
2016 - March	207	189	192	159	163	161
2016 - April	201	193	199	164	170	162
2016 - May	193	189	202	169	187	153

Sources: International Grains Council and USDA.

¹ Delivered United States f.o.b. Gulf.

² Delivered United States Gulf.

³ Up River f.o.b.

Table A4a. Cereal import requirements of Low-Income Food-Deficit Countries¹, 2015/16 or 2016 estimates
(thousand tonnes)

	2014/15 or 2015				2015/16 or 2016			
	Marketing year	Actual imports		Total commercial and aid	Total import requirements (excl. re-exports)	Import position ²		
		Commercial purchases	Food aid			Total commercial and aid	Food aid deliveries ³	Commercial purchases
AFRICA		31 291.3	1 034.9	32 326.2	30 547.5	4 045.7	69.7	3 976.0
East Africa		9 898.1	560.9	10 459.0	10 429.9	1 492.5	3.1	1 489.4
Burundi	Jan/Dec	147.4	3.0	150.4	170.0	3.1	3.1	0.0
Comoros	Jan/Dec	70.0	0.0	70.0	41.0	0.8	0.0	0.8
Djibouti	Jan/Dec	217.0	3.5	220.5	121.0	66.6	0.0	66.6
Eritrea	Jan/Dec	427.0	0.0	427.0	437.3	0.0	0.0	0.0
Ethiopia	Jan/Dec	1 700.0	111.5	1 811.5	1 620.0	221.5	0.0	221.5
Kenya	Oct/Sep	2 640.5	94.6	2 735.1	2 512.6	606.1	0.0	606.1
Rwanda	Jan/Dec	126.2	2.6	128.8	130.0	1.0	0.0	1.0
Somalia	Aug/Jul	590.0	58.0	648.0	620.0	11.9	0.0	11.9
South Sudan	Nov/Oct	n.a.	n.a.	545.0	555.0	n.a.	n.a.	n.a.
Sudan	Nov/Oct	1 955.9	257.3	2 213.2	2 820.0	110.7	0.0	110.7
Tanzania U.R.	Jun/May	1 161.7	9.6	1 171.3	880.0	445.3	0.0	445.3
Uganda	Jan/Dec	317.4	20.8	338.2	523.0	25.5	0.0	25.5
Southern Africa		2 662.1	55.5	2 717.6	2 830.3	1 618.2	17.5	1 600.7
Lesotho	Apr/Mar	226.5	5.0	231.5	192.0	67.8	0.0	67.8
Madagascar	Apr/Mar	543.7	7.4	551.1	487.8	17.2	7.7	9.5
Malawi	Apr/Mar	117.0	13.2	130.2	258.8	303.7	2.8	300.9
Mozambique	Apr/Mar	1 266.8	22.2	1 289.0	947.0	544.3	1.3	543.0
Zimbabwe	Apr/Mar	508.1	7.7	515.8	944.7	685.2	5.7	679.5
West Africa		16 977.4	269.2	17 246.6	15 517.2	891.1	48.2	842.9
Coastal Countries		12 872.5	146.3	13 018.8	11 671.5	356.3	0.5	355.8
Benin	Jan/Dec	361.0	6.0	367.0	377.0	0.8	0.0	0.8
Côte d'Ivoire	Jan/Dec	1 889.7	3.5	1 893.2	1 705.5	55.8	0.0	55.8
Ghana	Jan/Dec	1 090.3	7.8	1 098.1	933.0	22.8	0.5	22.3
Guinea	Jan/Dec	610.5	16.5	627.0	542.5	0.4	0.0	0.4
Liberia	Jan/Dec	275.0	77.0	352.0	402.0	6.5	0.0	6.5
Nigeria	Jan/Dec	8 020.0	0.0	8 020.0	7 120.0	257.9	0.0	257.9
Sierra Leone	Jan/Dec	351.0	35.0	386.0	356.0	1.1	0.0	1.1
Togo	Jan/Dec	275.0	0.5	275.5	235.5	11.0	0.0	11.0
Sahelian Countries		4 104.9	122.9	4 227.8	3 845.7	534.8	47.7	487.1
Burkina Faso	Nov/Oct	479.0	6.0	485.0	505.0	36.5	0.0	36.5
Chad	Nov/Oct	104.0	40.6	144.6	151.7	28.6	15.8	12.8
Gambia	Nov/Oct	141.0	11.5	152.5	203.5	42.4	0.0	42.4
Guinea-Bissau	Nov/Oct	88.0	6.3	94.3	104.3	0.0	0.0	0.0
Mali	Nov/Oct	366.2	9.7	375.9	281.2	53.7	0.0	53.7
Mauritania	Nov/Oct	514.5	10.0	524.5	426.0	137.5	0.0	137.5
Niger	Nov/Oct	468.2	36.8	505.0	518.0	34.8	31.9	2.9
Senegal	Nov/Oct	1 944.0	2.0	1 946.0	1 656.0	201.3	0.0	201.3
Central Africa		1 753.7	149.3	1 903.0	1 770.1	43.9	0.9	43.0
Cameroon	Jan/Dec	1 016.6	2.0	1 018.6	887.0	11.6	0.0	11.6
Cent.Afr.Rep.	Jan/Dec	52.0	23.0	75.0	75.0	2.8	0.9	1.9
Dem.Rep.of the Congo	Jan/Dec	669.7	120.3	790.0	790.0	28.8	0.0	28.8
Sao Tome and Principe	Jan/Dec	15.4	4.0	19.4	18.1	0.7	0.0	0.7

Source: FAO

¹ The Low-Income Food-Deficit Countries (LIFDCs) group includes net food deficit countries with annual per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 945 in 2011); for full details see <http://www.fao.org/countryprofiles/lifdc>

² Estimates based on information as of May 2016.

³ Refers to food aid deliveries to WFP country offices, bilateral transfers, and deliveries by other UN agencies and NGOs.

Table A4b. Cereal import requirements of Low-Income Food-Deficit Countries¹, 2015/16 or 2016 estimates
(thousand tonnes)

	Marketing year	2014/15 or 2015 Actual imports			2015/16 or 2016 Import position ²			
		Commercial purchases	Food aid	Total commercial and aid	Total import requirements (excl. re-exports)	Total commercial and aid	Food aid deliveries ³	Commercial purchases
ASIA		19 106.8	493.9	19 600.7	19 899.8	7 628.5	279.6	7 348.9
Cis in Asia		4 137.8	0.5	4 138.3	3 843.2	2 347.7	0.0	2 347.7
Kyrgyzstan	Jul/Jun	570.8	0.3	571.1	527.2	35.5	0.0	35.5
Tajikistan	Jul/Jun	1 082.0	0.2	1 082.2	1 089.0	639.6	0.0	639.6
Uzbekistan	Jul/Jun	2 485.0	0.0	2 485.0	2 227.0	1 672.6	0.0	1 672.6
Far East		6 309.2	146.2	6 455.4	6 754.6	3 234.2	14.6	3 219.6
Bangladesh	Jul/Jun	5 271.0	15.0	5 286.0	4 190.0	2 681.9	0.3	2 681.6
Bhutan	Jul/Jun	90.4	1.0	91.4	74.0	0.0	0.0	0.0
D.P.R. of Korea	Nov/Oct	309.5	100.2	409.7	694.0	23.1	10.0	13.1
India	Apr/Mar	38.7	0.0	38.7	906.0	461.1	0.0	461.1
Mongolia	Oct/Sep	67.8	0.0	67.8	149.8	59.3	0.0	59.3
Nepal	Jul/Jun	531.8	30.0	561.8	740.8	8.8	4.3	4.5
Near East		8 659.8	347.2	9 007.0	9 302.0	2 046.6	265.0	1 781.6
Afghanistan	Jul/Jun	2 161.0	16.0	2 177.0	2 282.0	942.5	0.0	942.5
Syrian Arab Republic	Jul/Jun	2 278.8	281.2	2 560.0	2 940.0	873.7	123.4	750.3
Yemen	Jan/Dec	4 220.0	50.0	4 270.0	4 080.0	230.4	141.6	88.8
CENTRAL AMERICA AND THE CARIBBEAN		1 896.5	76.4	1 972.9	2 219.1	677.9	3.9	674.0
Haiti	Jul/Jun	580.0	68.1	648.1	684.1	130.7	2.7	128.0
Honduras	Jul/Jun	869.4	5.5	874.9	965.0	428.6	1.1	427.5
Nicaragua	Jul/Jun	447.1	2.8	449.9	570.0	118.6	0.1	118.5
OCEANIA		472.6	0.0	472.6	467.2	10.7	0.0	10.7
Papua New Guinea	Jan/Dec	415.2	0.0	415.2	420.2	9.2	0.0	9.2
Solomon Islands	Jan/Dec	57.4	0.0	57.4	47.0	1.5	0.0	1.5
TOTAL		52 767.2	1 605.2	54 372.4	53 133.6	12 362.8	353.2	12 009.6

Source: FAO

¹ The Low-Income Food-Deficit Countries (LIFDCs) group includes net food deficit countries with annual per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. USD 1 945 in 2011); for full details see <http://www.fao.org/countryprofiles/lifdc>

² Estimates based on information as of May 2016.

³ Refers to food aid deliveries to WFP country offices, bilateral transfers, and deliveries by other UN agencies and NGOs.

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