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ASSESSMENT OF THE CURRENT WORLD FOOD SECURITY AND STOCK SITUATION, AND THE SHORT TERM OUTLOOK - UPDATING STATEMENT

1. As stated in document CFS: 81/2, world food security in 1981/82 will depend critically on the outcome of the cereal harvest in 1981 in view of the low levels of carryover stocks to offset crop failures. At this early state in the season, however, total cereal production cannot be estimated with any reasonable degree of certainty. There are specific indications regarding the wheat production outlook, since two-thirds of the wheat is already growing, crop conditions have been good so far and the harvest is approaching. But other major cereals, including most of the maize and rice, have still to be sown and it is necessary to wait several more months before the outlook for these crops can be assessed.

2. For wheat, higher prices at the time of planting and expectations of favourable demand encouraged larger plantings, and moisture supplies have so far been adequate to ensure satisfactory growth. Good crops seem reasonably certain in the United States, India and much of western Europe. Unusually poor weather between now and harvest time could, however, still cause the situation to deteriorate, particularly in the U.S.S.R. where climate variations are large. Thus, the first FAO forecast for 1981 indicates that wheat production is likely to be within a range of 430-480 million tons compared with the above-trend level of 446 million tons last year.

3. In the northern hemisphere, the winter wheat crop in the United States (which accounts for 75 percent of the total United States wheat crop) is expected to exceed the 1980 record, as area sown is estimated to be 11 percent larger and yield prospects have improved following widespread rains in late February and early March. Timely rains will, however, be needed also during the remaining part of the season to ensure normal yields as subsoil moisture is still low in several areas.

4. In western Europe, winter wheat prospects are satisfactory in most areas, with the exception of Spain, Portugal and northern Italy where dry weather is expected to reduce yields. In eastern Europe, the winter wheat area is estimated to be lower than last year but overall crop conditions appear to be satisfactory. Also, in the U.S.S.R. winter wheat is in good condition, but in view of the large climatic variations which are typical of this country, it is not yet possible to forecast total output with any certainty.

5. In the Far East, the wheat area is generally larger and growing conditions are better than last year in many countries. In particular, Bangladesh, India, Nepal and Pakistan are expected to harvest good wheat crops. Although wheat production in China is likely to be better than last year, more precipitation is needed in most of China's

northern winter grain areas to ensure good yields. In the Near East, wheat is growing well in most countries. In North Africa, rains have been beneficial for wheat in eastern Algeria and Tunisia but drought has caused damage in Morocco.

6. Spring wheat in the northern hemisphere and winter wheat in the southern hemisphere are yet to be sown. Planting intentions in the United States point to a small increase in the area under spring wheat, and according to present indications, the wheat area may also increase in Australia, Canada and South Africa. But actual plantings in both the northern and southern hemispheres will depend largely on soil moisture conditions at planting time.

7. For coarse grains, only one-third of the total area has been planted so far and production estimates are available only for the southern hemisphere, which normally accounts for about 10 percent of global output. Taking into account these estimates, crop conditions for rye and winter barley in the northern hemisphere, as well as planting intentions in some countries, coarse grain production could be between 730 and 800 million tons in 1980. This compares with 722 million tons last year and 754 million tons in 1979.

8. In the southern hemisphere, prospects for coarse grains are generally good in Latin American countries. In Argentina, total production of maize and sorghum is estimated at 18.7 to 20 million tons against last year's drought-reduced output of only 9.4 million tons. Brazil's maize output is expected to be a record 22 million tons, 10 percent higher than in 1980. In Southern Africa also production prospects for 1981 coarse grain crops are good in Botswana, Malawi, South Africa, Swaziland, Zambia and Zimbabwe. But poor crops are expected for the second year in succession in Angola and Lesotho owing to drought and also in Mozambique due to drought early in the season and extensive floodings in February. In East Africa, the "short rain" (secondary) maize crops have failed in Kenya, Somalia and parts of Tanzania owing to drought. Dry weather has also affected the planting of the "long rain" (main) maize crops in Tanzania.

9. In western Europe a larger area has been planted to winter coarse grains (mainly rye and barley). The weather has been favourable through the whole season and given the present good crop conditions, an output larger than last year might be expected, except in Spain and Portugal where dry weather prevailed. In eastern Europe, winter coarse grain plantings were reduced due to unfavourable weather at sowing time. Lower winter coarse grain production is expected in Poland and to a lesser extent in Romania where large areas were recently submerged by floods. In the U.S.S.R., conditions of winter coarse grains (mainly rye) are satisfactory as winterkill was limited and soil moisture supplies are adequate.

10. Prospects for winter sorghum and barley in India (accounting for 20 percent of total coarse grain production) are good so far. Larger production than last year is expected.

11. In the United States, which accounts for 25-30 percent of global production of coarse grains and over 70 percent of export supplies, planting intentions point to an increase in the area under barley but marginal declines for maize and sorghum. If these intentions are realized, record maize yields will be needed to raise production sufficiently to allow United States domestic use and export of maize to be maintained in 1981/82 at the 1980/81 level.

12. As regards rice, three-quarters of the total area will be sown around the middle of the year, and the outcome of these crops will depend heavily on the behaviour of the monsoon. Among the crops already sown, drought has affected the main crop in Sri Lanka. In the southern hemisphere, which accounts for about 12 percent of global output, production is expected to be better in Argentina, Colombia and Peru, equal to last year's good harvest in Australia and lower in Madagascar and Uruguay. In the United States, early planting intentions point to a 3 percent expansion in the area sown. FAO's first forecast for 1981 paddy production will be made in August, in light of the performance of the monsoon.

13. In summary, although cereal crop conditions so far are fair to good, weather developments will influence the size of the crops which are already in the ground as well as those that are still to be planted. During the remainder of the growing season, favourable weather in the main producing countries will, therefore, be crucial for obtaining the required increase in cereal production to meet 1981 consumption needs and to replenish stocks. The world will have to remain in a state of "alert" and crop conditions and market developments need to be closely monitored until the main 1981 crops are harvested.