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Pacific summit addresses challenges to food and livelihood security in the region

Senior government officials, food industry and civil society representatives from Pacific Island countries met in Port Vila, **Vanuatu** from 21 to 23 April to consider strategies and actions to address threats to regional food security from unhealthy diets, widening urban-rural disparities, high levels of underemployment and climate change. Organized in collaboration with a number of UN and regional agencies, the Pacific Food Summit (<http://www.foodsecurepacific.org/summit.html>) marked the first time leaders in health, agriculture and trade came together to formulate an action plan setting out priorities to improve food security in the region over the next five years.

“Changing circumstances, including urbanisation, increased farm commercialisation, a dominating reliance on food imports, globalisation and climate change

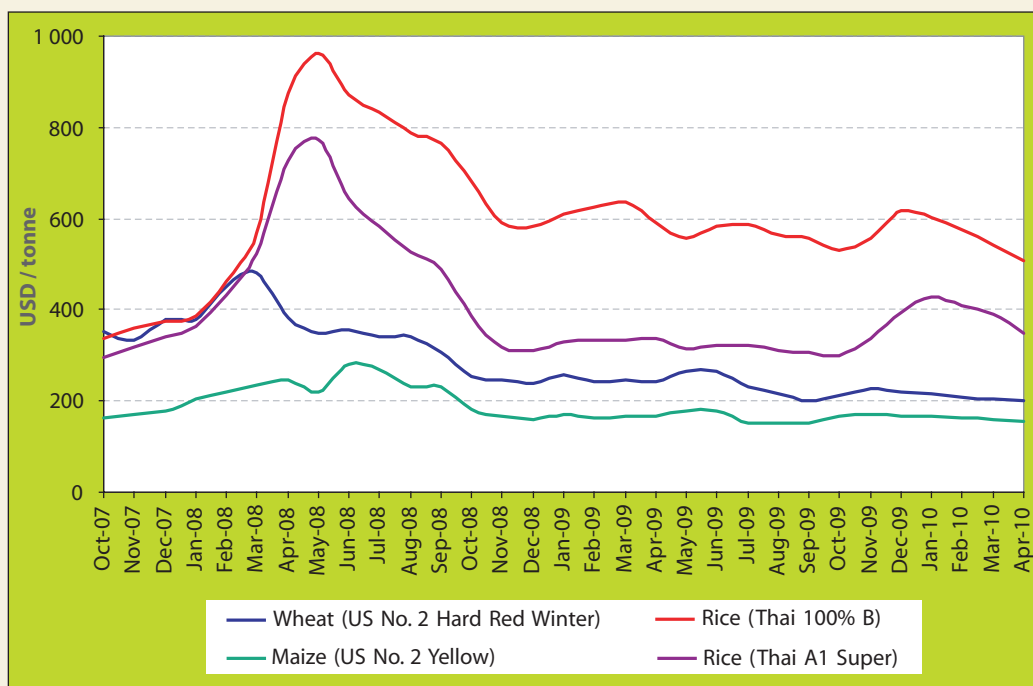
are threatening the capacity of local agriculture and fishery systems to produce a sustainable supply of nutritious food for local populations,” said Vili Fuavao, FAO Sub Regional Representative for the Pacific Islands.

“Looking to the future, the integration of agricultural, food processing, value addition and non-agricultural business activities is essential in order to enhance food security. Conserving fish stocks and investing in sustainable management of the oceans is critical,” said an FAO press statement from Vanuatu.

Improved rice seeds distributed to 11 380 typhoon-affected farm households in Lao PDR

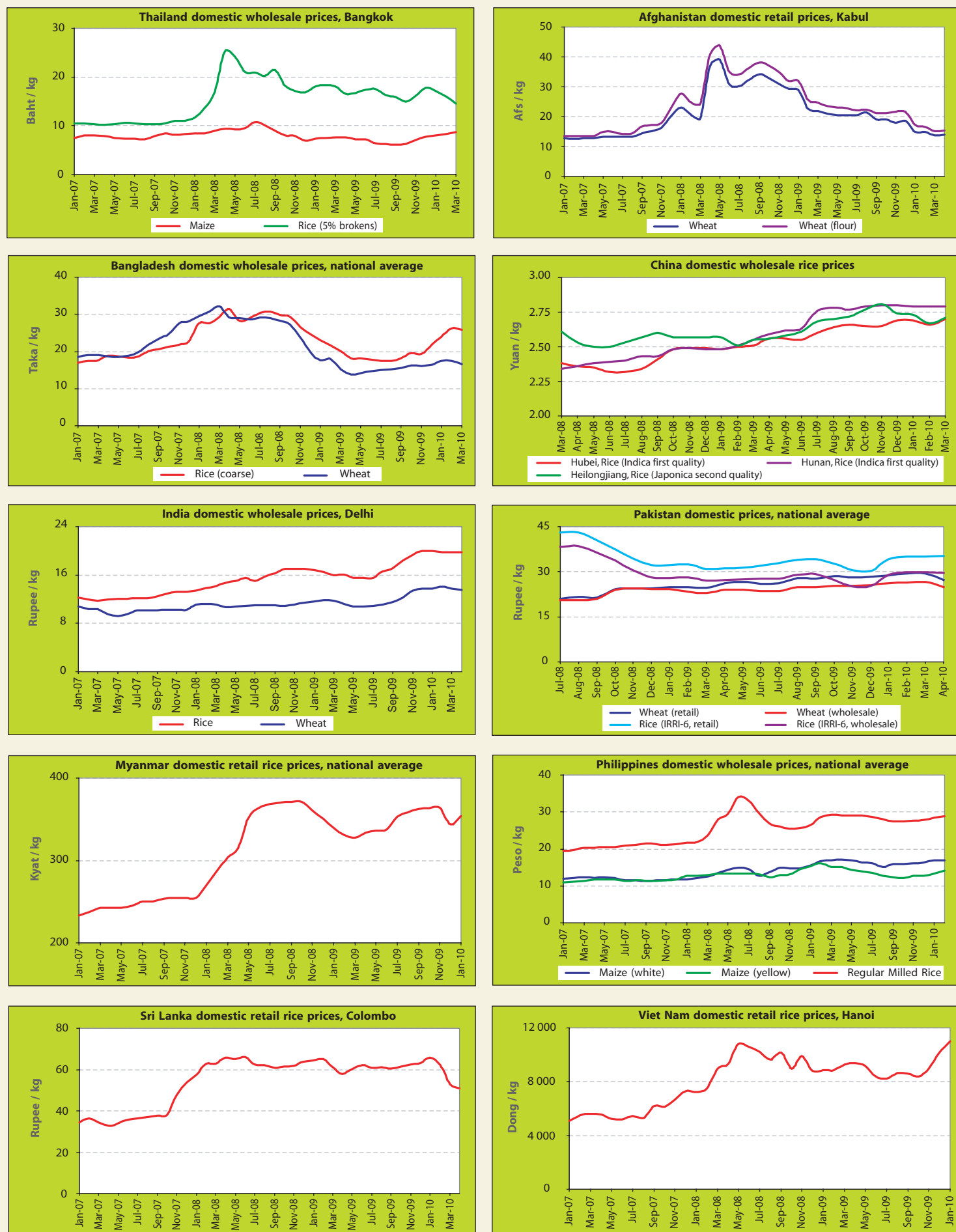
FAO emergency teams working with the Ministry of Agriculture and Forestry, **Lao People's Democratic Republic** distributed improved paddy seeds to 11 380 farm households in the country which were affected by typhoon Ketsana last year.

Figure 1: Selected international cereal prices



Source: FAO Regional Office for Asia and the Pacific

Figure 2: Trends in domestic prices for key commodities in selected countries



Source: FAO Regional Office for Asia and the Pacific

The worst natural disaster to strike Lao PDR in the past four decades, the storm had a severe negative impact on the agriculture-dependent food and livelihood security of more than 180 000 people. Between late February and mid April, 440 tonnes of rice seeds were distributed ahead of the upcoming planting season in 238 villages in 16 districts in Savannakhet, Saravane, Champasack, Attapeu and Sekong provinces. The distribution was financially supported by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). FAO expects to receive an additional Swedish Kroner 3 million from the Government of **Sweden** and €24 985 from the Principality of **Andorra** for future support to typhoon Ketsana-affected communities in Lao PDR.

International rice prices decline on sluggish demand

International rice prices continued declining with the benchmark Thai 100% B quoted at US\$506 per tonne in the final week of April, about US\$37 below the March average and its lowest level in over two years (see Figure 1). Likewise, Thai A1 Super traded US\$41 below its average March price at US\$348 per tonne. Main international buyers had either already bought for projected needs or were waiting for a further drop in prices. World prices of other cereals have remained stable in recent months. US No. 2 Hard Red Winter wheat traded at US\$201 per tonne and US No. 2 Yellow maize at US\$155 per tonne in the final week of April (see Figure 1).

In **Thailand**, the government lowered the reference price under its price guarantee programme from over Baht 9 000 per tonne to Baht 7 210 per tonne for 15 percent moisture paddy in keeping with declining market prices. Farmers are paid the difference between the reference price and the guarantee price of Baht 10 000 per tonne. The national rice policy committee decided to set the reference price every week instead of

fortnightly as earlier and no longer link it to market prices of the preceding week. Reference prices would henceforth be derived from past, current and futures market prices. The committee also directed government agencies to buy more from paddy farmers and announced incentives to encourage millers to join the state paddy purchase programme. The government was planning additional purchases of nearly 1 million tonnes from paddy farmers to support prices which have been falling after the second crop, estimated at over 6 million tonnes, began entering the market. Thailand's rice exports in the first quarter of 2010 were reported at 1.98 million tonnes.

Viet Nam, the world's second largest rice exporter after Thailand, was reported to have exported 2.14 million tonnes during the first four months this year, nearly 14 percent less compared to the same period in 2009. The country's rice sales to major buyer **Africa** were declining and Hanoi had already concluded large export contracts with the **Philippines** in 2009. The reduction in demand was pulling prices down and the government was reported to have ordered purchase of over 57 000 tonnes of rice from farmers to support prices.

After record purchases late last year, the world's biggest rice importer, the **Philippines** was expected to buy more of the cereal later in the year to meet food security buffer norms in view of El Niño-induced drought conditions. The Interagency Committee in Rice and Corn recommended import of an additional 955 000 tonnes of rice to ensure a minimum 90 days of stock based on an estimated daily national requirement of 36 200 tonnes. Manila had placed orders late last year for 2.2 million tonnes of rice to meet 2010 needs. The national rice stock by 30 June was projected to be 2.31 million tonnes, enough for 64 days consumption. The Philippines' government was also planning purchase of over half a million tonnes of unmilled rice from farmers in the country.

In a bid to boost overseas sales from its ample 2009-2010 harvest, **Cambodia** ended a two-year-old regulation requiring rice exporters to obtain a license for exporting quantities over 200 tonnes.

India's weather office predicted a normal 2010 monsoon for the country, raising prospects of a good cereal harvest after last year's drought-reduced crop. The Reserve Bank of India noted that a good monsoon was essential for taming high food prices which have led to protests by opposition parties in parliament and a countrywide public strike. The government was reported to be planning purchase of low-quality rice from farmers to boost buffer stocks and hiring additional grain storage space from private parties. Wholesale rice prices in Delhi remained well above their level two years ago (see Figure 2). Prices of the staple lentil *tur* had declined from their record peaks in the second half of 2009, but remained about 50 percent above the level one year ago in the Indian capital, according to data from the government's price monitoring agency.

Wholesale rice prices in **Bangladesh** had stabilized since February (see Figure 2). The country's 2009-2010 rice production was estimated at 30.8 million tonnes against the estimated annual utilization of 25.9 million tonnes.¹ Dhaka was reported to have placed an order for 50 000 tonnes of rice at US\$492 a tonne, its third rice import tender this year in a bid to keep prices down.

Wheat and wheat flour prices have remained stable in **Afghanistan's** capital in recent months, declining slightly from 15 Afs/kg in January and February to 14 Afs/kg in April (see Figure 2). The national average wheat price was recorded at 14.1 Afs/kg in

¹ *Rice and Wheat: Production, Prices and PFDS, 26 April 2010*, National Food Policy Capacity Strengthening Program, US Agency for International Development, European Commission, FAO, Government of Bangladesh

the second week of April. Wheat prices declined in most markets in **Pakistan** in the third week of April due to better arrivals from the new harvest. Prices of IRRI-6 rice and Basmati declined in Sukkur due to better supply and reduced purchases by exporters.

First regional investment forum on food security

FAO, the International Fund for Agricultural Development (IFAD) and the Asian Development Bank (ADB) will organize the first such forum to attract public and private sector investment in food security-related initiatives in the region. The Investment Forum for Food Security in Asia and the Pacific (<http://www.adb.org/Documents/Events/2010/Investment-Forum/default.asp>), to be held in Manila, Philippines from 7 to 9 July 2010, will bring together key stakeholders in the region to share experiences and expertise on innovations and good practices in promoting sustainable and inclusive food security. The forum will promote collaboration and partnerships in food security investments involving governments, private sector, international development agencies, civil society organizations and research institutions. A "marketplace" organized in parallel with the forum will allow private sector and civil society organizations to showcase innovative products and good practices aimed at improving food security.

Building a food-secure Pacific

Growing reliance on food imports, changing dietary habits and declining local food production are adversely affecting food security in the Pacific Island countries and Territories (PICTs),

according to an assessment by FAO, the World Health Organization (WHO), the UN Children's Fund (UNICEF), the Global Health Institute (GHI), the Pacific Island Forum Secretariat (PIFS) and the Secretariat of the Pacific Community (SPC). The assessment forms part of a regional food security action plan *Towards a Food Secure Pacific, Draft Framework for Action on Food Security in the Pacific 2011-2015* (http://www.foodsecurepacific.org/documents/TOWARDS%20A%20FOOD%20SECURE%20PACIFIC_March%2029.pdf) which was adopted by the Pacific Food Summit held in Port Vila Vanuatu from 21 to 23 April 2010.

Financial burden

Growing reliance on food imports has added to the foreign exchange burden of PICTs where rice and flour have replaced root crops as the main source of starch and energy.² Except Fiji, Papua New Guinea and Solomon Islands, all PICTs import cereals.³ Tuvalu, Samoa, Kiribati and the Cook Islands spend more foreign exchange in importing food than they earn from their total exports.⁴ This is especially worrying for the Polynesian and Micronesian countries which have limited agricultural export earnings.

Rising international oil costs have increased food production and transport costs in the Pacific. Real food prices remain 19 percent above their 2007 level in the Pacific where one-third of the population is estimated to be below national poverty lines.⁵

² *Facilitating action for a food secure Pacific, FAO/SPC/UNICEF/WHO/PIFS, 2009* (<http://www.foodsecurepacific.org/summit.html>)

³ Ibid

⁴ Ibid

⁵ Ibid

Revitalizing food production

Sustainable agricultural development is a priority for Pacific Island countries with their high population growth rates, growing levels of urbanization and deteriorating environmental conditions. According to FAO, a vibrant agricultural sector is crucial for addressing food security, poverty and inequality in the region where more than 70 percent of the people and the majority of the poor live in rural areas.⁶ A healthy agriculture sector means more jobs, income and food for the poor. This requires boosting agricultural productivity and encouraging a switch to higher value crops and products.⁷

Promoting food and fisheries exports

Pacific Island countries also need assistance to realize their export potential for agricultural and fisheries products. This includes capacity building to meet international food safety and quality requirements. Limited market access, quality assurance, consistency of supply and inadequate marketing infrastructure are constraints to boosting export earnings.⁸

Multi-sectoral priorities for a food-secure Pacific

The Pacific Food Summit action plan focuses on seven multi-sectoral thematic priorities for governments, industry, civil society and development partners working to promote food security in the Pacific.

"For the first time in the region, trade, health and agriculture ministers – building on the vision of 'Healthy Islands' and recognizing the priority given to action on food security in the Pacific Plan – have jointly developed an approach to food security to support country action," said an FAO press statement.

⁶ Pacific Multi-Country NMPF Document, 2009-2012 (<http://www.faopacific.ws/Portals/167/publications/Current%20Updates/NMPPF1.1.pdf>)

⁷ Ibid

⁸ Ibid

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