



HIGHLIGHTS

- General inflation in the region in August was estimated at 3.9 percent, and food inflation was 4.9 percent.
- In Indonesia, annual prices for chilies remained around 70 percent higher than a year ago on reduced availability due to unusually long wet weather that negatively affected supply.
- In the Philippines, higher prices for vegetables were due to a smaller volume of deliveries in markets from producing provinces affected by typhoons Sarika and Haima.
- In Thailand, chicken meat production and exports were forecast to grow between 5 percent and 7 percent in 2017.
- In Samoa, annual price increases for commodities such as breadfruit, banana and taro were all above 50 percent.

REGIONAL OVERVIEW

FOOD AND REGIONAL INFLATION

In the region, general inflation edged up 0.5 percent and food price inflation rose 0.6 percent in August compared to July. Year on year, general inflation was up 3.9 percent and food price inflation increased by 4.9 percent.

In **Afghanistan**, general inflation was up just 0.3 percent and food inflation was up 0.2 percent in August compared to July. However, year on year, general inflation was 7.4 percent higher, and food inflation increased 8.8 percent. In **Bangladesh**, general and food inflation rose by 1.1 percent and 1.8 percent, respectively. Year on year, general inflation increased 5.4 percent and food inflation was 4.3 percent higher.

In **China**, general and food inflation rose by only 0.1 percent in August. Year on year, however, general inflation and food inflation were up 1.3 percent. In Indonesia, general inflation remained stable and food inflation was down 0.7 percent compared to July. Year on year, however, general inflation increased by 2.8 percent, and food inflation rose by 5.1 percent.

In the **Philippines**, both general and food inflation increased just 0.1 percent month on month. Year on year, general inflation was up 1.8 percent and food inflation increased by 2.4 percent.

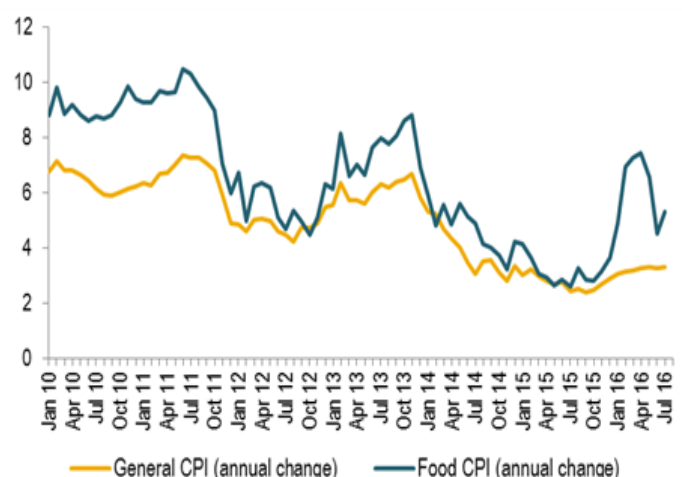
Samoa's general inflation decreased 1.6 percent in June, and food price inflation fell by 1.2 percent. Year on year, consumer prices were up 3.4 percent and food prices were 9.1 percent higher.

In **Pakistan**, year-on-year general inflation increased by 3.6 percent and food prices were up 2.4 percent. However, month on month, general inflation fell 0.3 percent, and food prices declined by 1.1 percent. Lower prices for chicken (14.7 percent), tomatoes (13.8 percent), onion (13.6 percent), fresh fruits (9.3 percent), fresh vegetables (3.9 percent), pulse moong (1.6 percent), and betel leaves and nuts (1.2 percent) did more than offset increased prices for eggs (8 percent), sugar (6.6 percent), potatoes (4.2 percent), pulse gram (2.6 percent),

jiggery [gur] (2.5 percent), gram whole (1.6 percent), gram flour [Besan] (1.5 percent), wheat (1.4 percent) and rice (1 percent).

Sri Lanka's general inflation decreased by 2 percent and food prices were down 3.7 percent compared to July. Lower prices were recorded for vegetables, green chilies, sugar, coconut, dried sprats, rice, red lentil (Masoor dhal),

Food and general inflation (percent)



Source: FAOSTAT, World Bank, and government statistics.

Note: The consumer price index (CPI) measures changes in the consumer basket of goods and services purchased by households. Regional estimates for the CPI are aggregated by a weighted geometric average of each respective national CPI and its corresponding regional GDP share (deflated by purchasing power parity estimates) as its weight. The regional index includes contributions from ten countries, comprising: Bangladesh, China, India, Indonesia, Pakistan, Philippines, Samoa, Sri Lanka, Thailand, and Viet Nam.

Note: Prices in US dollars (US\$) are converted from local currencies using the average exchange rate for the corresponding month of publication supplied by the IMF International Financial Statistics.

red onions, potatoes, limes and wheat flour. In **Thailand**, general inflation remained stable and food inflation rose just 0.1 percent. In **Viet Nam**, general inflation was up 0.1 percent, while food inflation was down 0.1 percent.

FOOD PRICES

The FAO Food Price Index (FPI) was up 1.9 percent in August compared to July and 7 percent higher than its August 2015 level, recording a month-on-month 3-point rise for an average of 165.6 points. The increase was led by higher prices for oil, dairy and sugar, which more than offset declining prices for cereals.

The **regional rice price index** in nominal terms in August was 0.9 percent higher than in July, and 2.7 percent higher compared to the same period last year. In July, nominal rice prices increased in South Asia and India by 7 and 0.8 percent, respectively. In Southeast Asia, nominal rice prices decreased by 0.4 percent while remaining stable in East Asia. Year on year, nominal rice prices increased by 9 percent in South Asia excluding India, were up 3.8 percent in Southeast Asia, up 1.6 percent in East Asia and up 1.1 percent in India.

In real terms, regional rice prices remained stable compared to July, but were 2.2 percent lower compared with a year ago. Year on year, real rice prices declined in East Asia, South East Asia and India by 2.1, 2.2 and 4.6 percent, respectively, while increasing by 4.7 percent in South Asia. Month on month, real rice prices were up 6.2 percent in South Asia and 0.9 percent in India, but fell in East Asia and Southeast Asia by 1.3 and 0.8 percent, respectively.

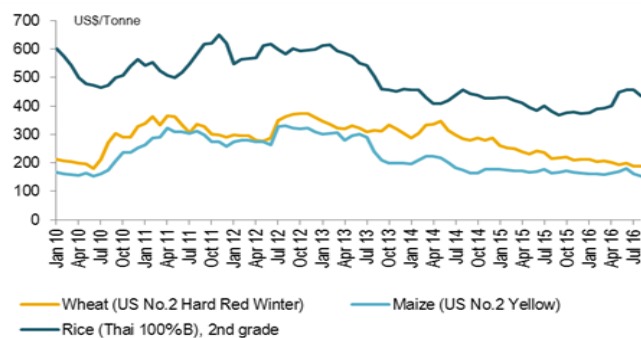
The **regional wheat price index**, in nominal terms, was 1 percent higher in August compared to July, and 5 percent higher than a year ago. Month on month, nominal wheat prices increased by 1.9 percent in India and 0.6 percent in the rest of South Asia, while slightly increasing in East Asia and slightly decreasing Southeast Asia both by 0.4 percent compared to July. Year on year, nominal prices were up by 2.4 percent in South Asia excluding India, where prices were 8.3 percent higher. Nominal prices also increased in East Asia by 3.6 percent, and Southeast Asia by 0.4 percent compared to August 2015.

Real wheat prices in the region inched up 0.1 percent compared to August 2015, and were up 0.4 percent compared to a year ago. Month on month, nominal rice prices rose by 2 percent in India and 0.5 percent for the rest of South Asia. Slight decreases in prices were recorded in East Asia at 0.9 percent and Southeast Asia at 0.3 percent. Year on year, real wheat prices fell by 2.3 percent in Southeast Asia, 0.2 percent in East Asia and 1.8 percent in South Asia excluding India, where prices were up 2.9 percent.

Note: The regional price indices are aggregated using weights defined by the national Food Balance Sheet (FAOSTAT). Weights are defined as the availability of rice and wheat for domestic consumption for each respective index. Sub-regional groupings in the rice index are Cambodia, Indonesia, Lao PDR, Myanmar, the Philippines, Thailand and Viet Nam for Southeast Asia; Bangladesh, Nepal, Pakistan, and Sri Lanka for South Asia; China and Mongolia for East Asia.

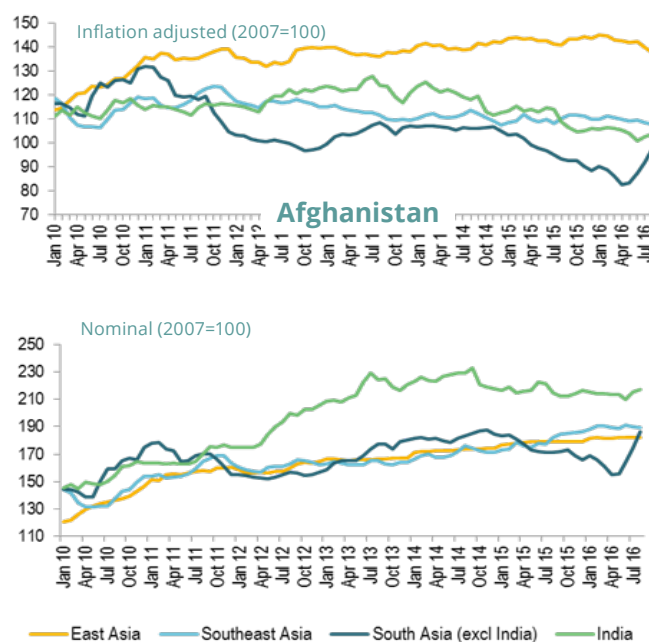
For the wheat index, South Asia also includes Afghanistan whereas Southeast Asia includes only Indonesia. East Asia is also only represented by China. Retail prices are used where available - with the exception of wholesale prices for Cambodia and Thailand in the rice index; as well as India and Indonesia for the wheat index.

Global benchmark prices

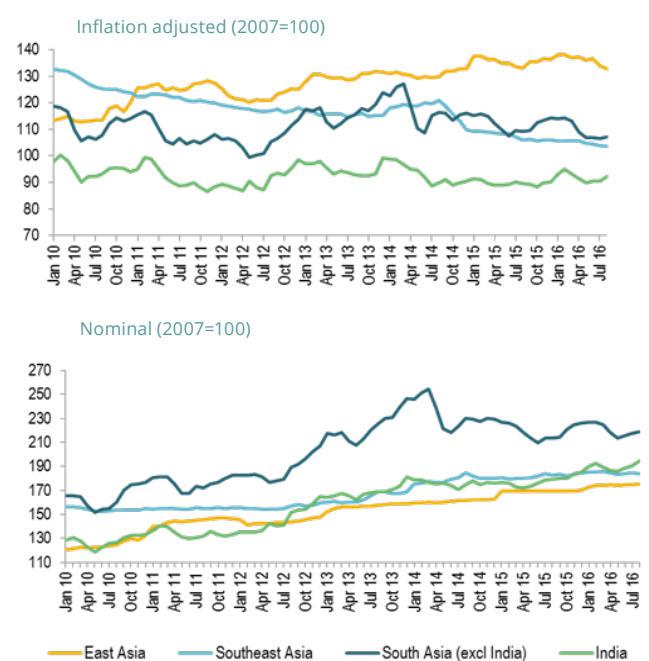


Source: FAO, International commodity prices

Subregional price indices: rice



Subregional price indices: wheat



Source: FAO GIEWS, national government and IMF International Financial Statistics

COUNTRY OVERVIEW

FOOD PRICES

In **Afghanistan** (Kabul markets), wheat prices increased 20 percent year on year, but prices were 7.7 percent lower than last month. From May to June, the 2016 winter harvest had a reported aggregate output of 4.55 million tonnes, slightly below the previous year's output. Lower monthly prices in Kabul markets were due to the new crop entering markets. This was a positive price signal for the rest of the country as Kabul markets supply the central provinces and represents a transit point in the country.

Prices for wheat flour (high and low quality) trended downwards with monthly decreases of 8.6 percent and 5.8 percent, respectively. Annual wheat flour (high quality) prices declined 3.6 percent, reflecting an improved availability from imports from both Pakistan and Kazakhstan.

In late August, Pakistan put in effect a subsidy scheme to export wheat at US\$ 120 per tonne for up to 900 000 MT with the objective of moving wheat stocks out of the country. Afghanistan imports wheat and wheat flour mainly from Pakistan and Central Asian countries.

Prices for rice (low quality) remained unchanged from July and were 7.4 percent higher than last year. Prices for pulses (not shown in graph) in August were 4.1 percent lower than a month earlier but 6.6 percent higher than a year ago.

In **China** (average of 50 markets), prices for rice (Japonica) and wheat flour (not shown in graph) were relatively stable from last month, experiencing annual price increases of 1.8 percent and 3 percent, respectively.

Month on month, prices for selected fresh vegetables continued trending upwards with price increases of 18.8 percent for cucumbers, 16.5 percent for rapeseeds and 12.4 percent for Chinese cabbage. Price upsurges were mainly due to a lack of steady supplies during the transition from summer to autumn.

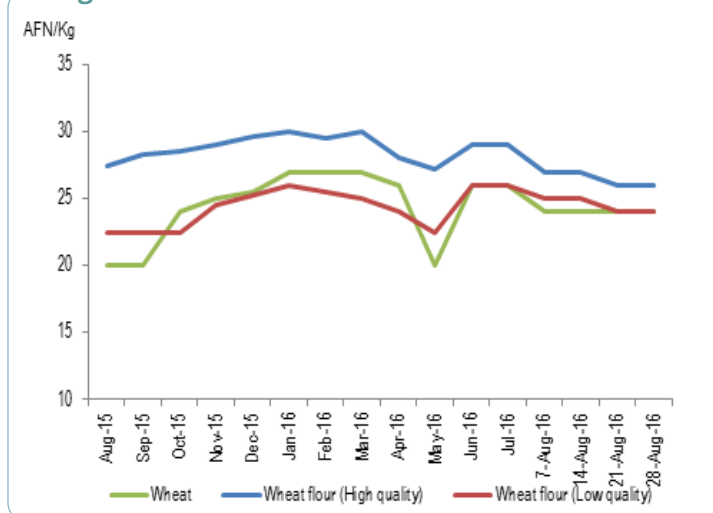
Year on year, prices for fresh vegetables continued to trend downwards on improved supplies with price declines of 21.1 percent for tomatoes, 10.2 percent for kidney beans and 14.4 percent for apples.

In addition, prices for bananas (not shown in graph) increased 19 percent on an annual basis due to reduced supply. In China, bananas are mainly imported from the Philippines, the largest banana exporter in the world. During the past few years, constant disputes on quarantine issues led to the imposition of import restrictions. In early October, the import restrictions for bananas were lifted, and prices were expected to decline after the supply increases.

In **India** (Delhi markets), wheat and wheat flour (atta) prices (not shown in graph) were relatively stable compared to last month but rose 8.3 percent and 4.8 percent from a year ago, respectively. Sorghum prices (not shown in graph) were 3.8 percent higher than a month ago and 42.1 percent higher than a year ago. Maize prices (not shown in graph) were also stable over the past month but 11.1 percent higher than a year ago.

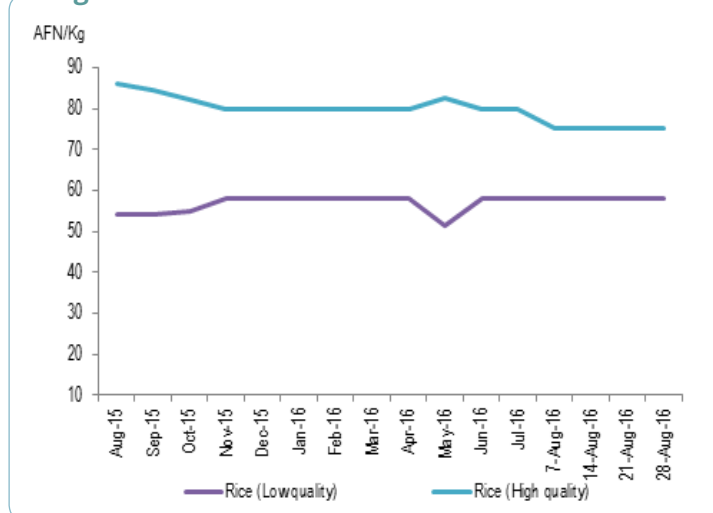
Prices for fish and meat (not shown in graph) were up 32.9 percent and 20.4 percent from last year, respectively.

Afghanistan



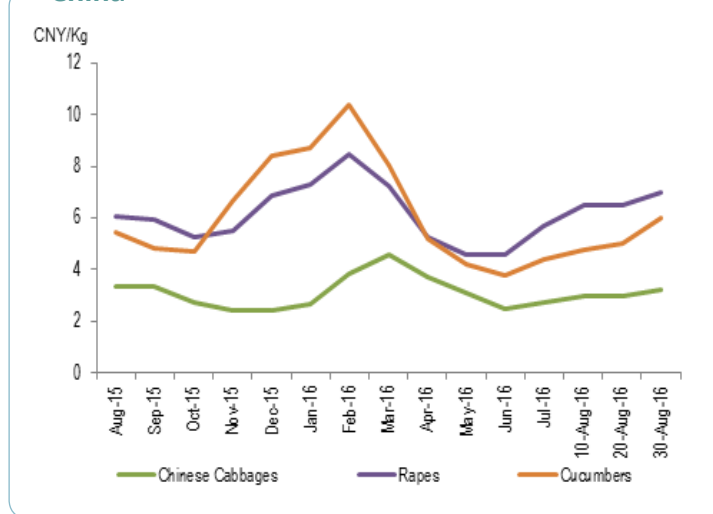
Source: World Food Programme, 2016

Afghanistan



Source: World Food Programme, 2016

China



Source: National Bureau of Statistics, 2016

Prices for eggplant (brinjal) declined for the first time since January due to improved supply, and monthly and annual prices were 20 percent and 11 percent lower, respectively. Prices for tomato also trended downwards by 48.7 percent with respect to last month due to a fresh crop entering markets in late August. Compared to a year ago, tomato prices were 19 percent lower.

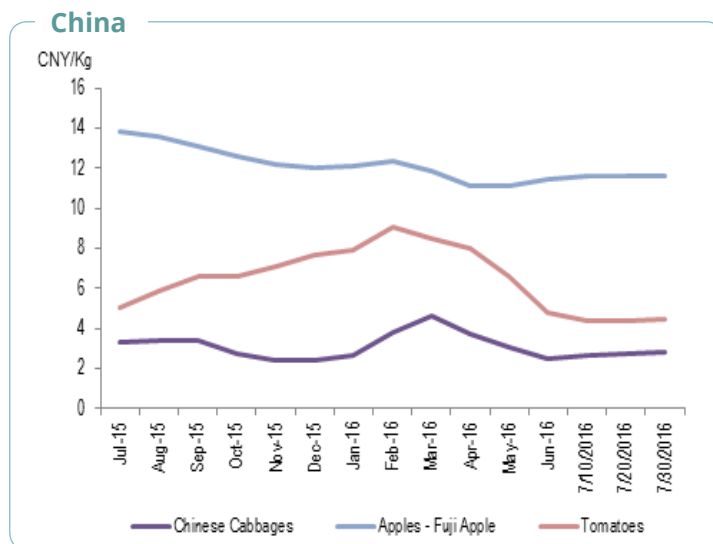
Low prices for onions followed an increased supply and unsold stock with a 2.5 percent decline from last month and 67.5 percent drop from last year. In 2015, the government set up a Price Stabilization Fund (PSF) with INR 5 billion (US\$ 53.5 million) implemented by the Ministry of Agriculture to help mitigate price volatility of onions and potatoes by procuring them directly from farmers. The PSF quickly evolved into an instrument that provided interest-free loans to state governments/union territories and central agencies to support procurement in essential commodities. In February 2016, the central Government shifted the PFS to the Ministry of Consumer Affairs to protect consumers and allocated a budget of INR 10 billion (US\$ 107 million) to create buffer stocks for essential commodities (including onions) through central agencies such as the National Agricultural Co-operative Marketing Federation of India (NAFED) and the Small Farmers' Agribusiness Consortium (SFAC). Amidst the onion oversupply and unsold stock, the Ministry of Commerce put into effect a policy instrument, the Merchandise Exports from India Scheme, which pays 5 percent of the realized free on board (FOB) value on onion exports until December. This incentive is expected to unload around 300 000 MT of unsold onion stocks into international markets, giving room to stock more product and help to eventually bring domestic prices up.

Relatively favourable weather conditions and the Government's minimum support prices for pulses improved the volume of the kharif (winter) crop. Consequently, the New Delhi markets reported monthly price reductions for pulses, including 6.1 percent for black lentils (urad), 5.1 percent for pigeon peas (arhar) and 0.2 percent for red lentils (masur). Year on year, prices for pulses continued to rise, with upsurges of 42.5 percent for black lentils (urad), and 33.3 percent for pigeon peas (arhar).

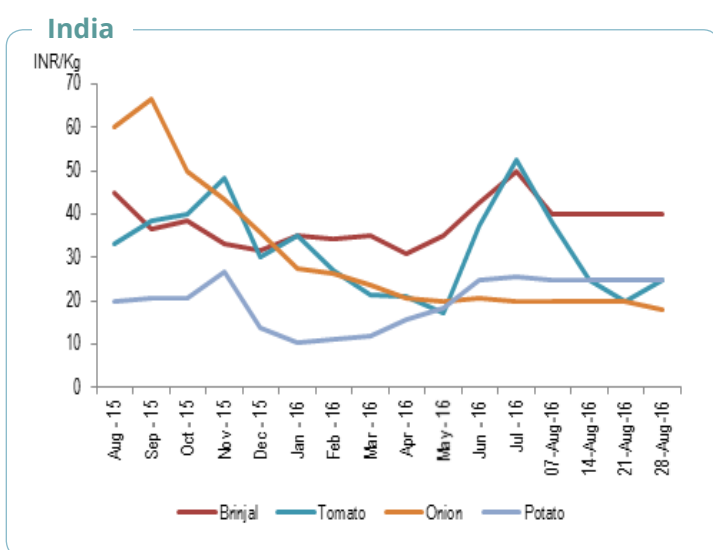
Month on month, prices for whole gram were up by 10.3 percent and by 1.8 percent for split gram. Year on year, prices for whole gram were up by 83.8 percent and by 25 percent for split gram.

The Government is still taking measures to ensure domestic supplies of pulses and maintain stable prices by creating a 2 million MT buffer stock, which was procured from the farmers as well as through imports. In late August, the Government signed a Memorandum of Understanding with the Government of Mozambique to import 100 000 MT of pulses for each of the following three marketing years.

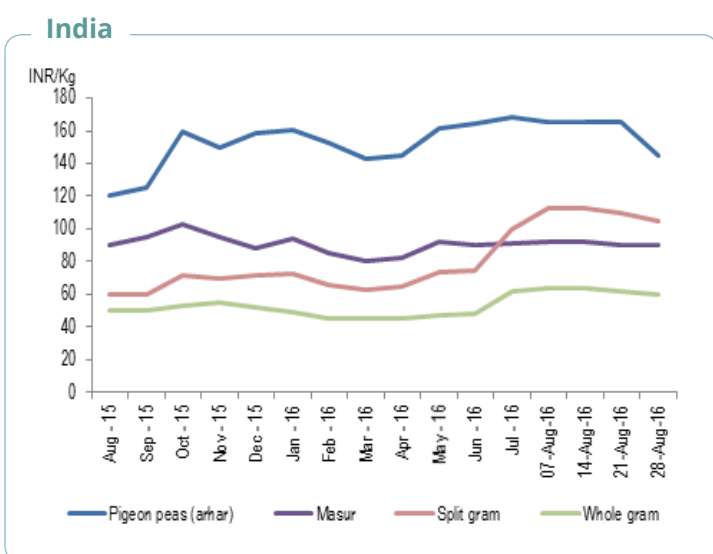
In **Indonesia** (national average), prices for rice (medium quality) were 13.2 percent higher than a month ago, and 4.3 percent higher than a year ago. Higher prices resulted from a drop in supplies, which was caused by a delay in the harvesting of the main season paddy crop because of El Niño. Prices for wheat flour were 0.6 percent lower than last month, but 0.2 percent higher than last year. Soybean prices (not shown in graph) were stable over the past month and



Source: National Bureau of Statistics, 2016



Source: Ministry of Agriculture and Farmers Welfare, 2016



Source: Ministry of Agriculture and Farmers Welfare, 2016

0.4 percent lower than a year ago. Prices for curly red chilies were 53.5 percent and 5.7 percent lower than a month and a year ago, respectively.

In early September, the Government announced a policy to set benchmark prices for seven commodities including rice, soybean, corn, meat, shallots, chilies and sugar. These prices would be regulated through the Ministry of Trade. The Government is expected to intervene in the markets if prices are outside the benchmark prices. For example, the state logistics agency BULOG will intervene in the markets when prices are lower than floor prices for rice, soybean and corn; and similarly Badan Usaha Milik Daerah (BUMD), or regionally owned enterprises, will intervene in markets for meat, shallots, chilies and sugar. Ceiling prices will be imposed on all sellers in the market.

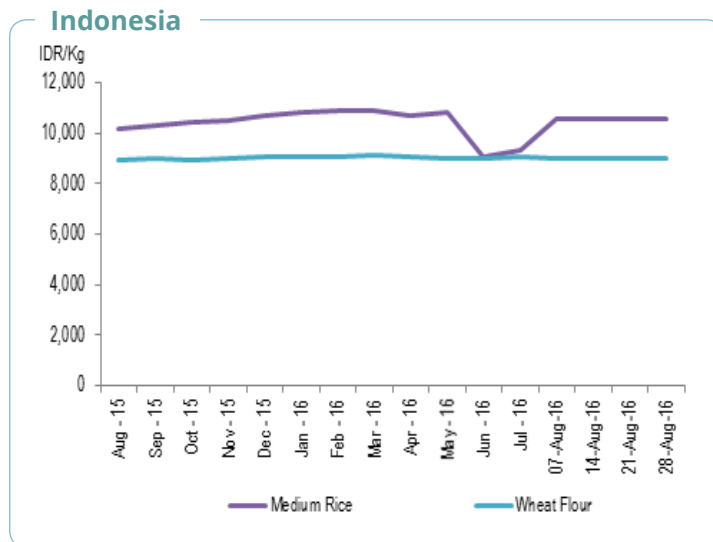
Year on year, prices for onions were up by 90.7 percent, and prices for sugar increased 19.8 percent. The Ministry of Agriculture is currently working on a plan to end sugar imports by 2020.

In addition, to improve availability, the Government is also introducing policy measures to improve market infrastructure. In this regard, the central Government and the Jakarta city administration agreed to roll out a pilot programme named "Ashok" to shorten the food supply chain in Jakarta. If the programme succeeds, it will be replicated in other markets.

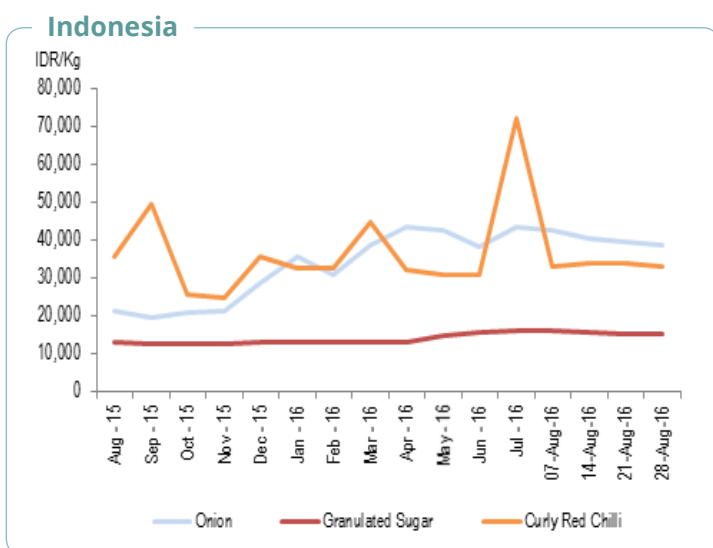
In **Pakistan** (national average), monthly prices for wheat and wheat flour (not shown in graph) were stable and annual prices increased 2.3 percent for wheat and 0.6 percent for wheat flour. FAO estimates for wheat production in 2015/16 stand at 25.9 million tonnes, 2 percent above last year's bumper level. Government efforts to support the winter (rabi) crop paid off. They encompassed a vast array of measures from subsidizing the input costs of phosphate fertilizers and facilitating access to credit for smallholder farmers, to putting in motion a complex wheat public procurement system to maintain stable domestic prices despite oversupply. To facilitate the release of the wheat surplus in international markets, the Economic Coordination Committee (ECC) approved an additional rebate of US\$ 30 per tonne for a total of 0.6 million tonnes of wheat and wheat flour exports. This measure is in addition to the previously approved rebate of US\$ 55 per tonne on 0.8 million tonnes of wheat for Punjab province, and a rebate of US\$ 45 per tonne on 0.4 million tonnes of wheat for Sindh province.

Rice prices (basmati variety, not shown in graph) were up 2.5 percent from last month but dropped 9.9 percent from last year. In September 2015, a PKR 341 billion (US\$ 3.2 billion) Kissan Relief Package was launched to subsidize input costs for fertilizers, remove import taxes on agricultural machinery and provide a cash transfer of PKR 5 000 (US\$ 47.7) to farmers with land holdings of five hectares or less and who grow rice instead of cotton. This year, cotton production was down 15 percent from the previous year. However, it is uncertain whether this situation was partially caused by farmers growing rice instead of cotton, as the Kissan Relief Package intended.

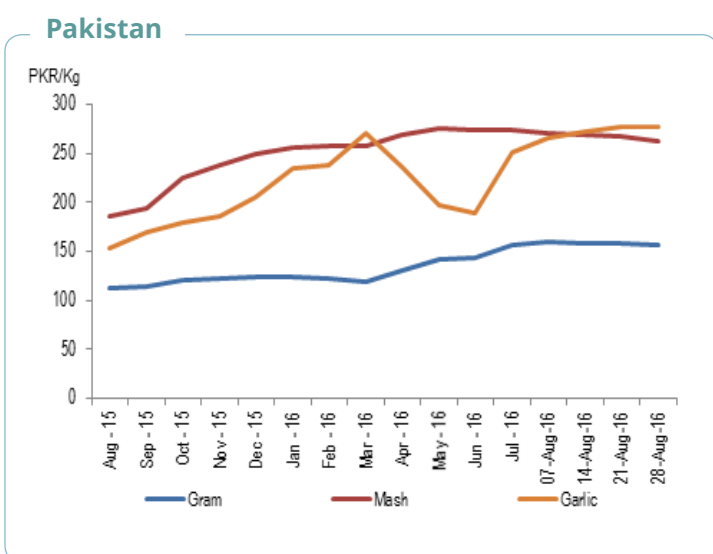
Prices for the pulses mash and gram (food staples in Pakistan) had monthly increases lower than 2 percent, but on an annual basis mash increased 43.5 percent and gram rose 40 percent. Prices for potatoes were 36.3 percent higher than a year ago.



Source: Ministry of Trade, 2016



Source: Ministry of Trade, 2016



Source: Pakistan Bureau of Statistics, 2016

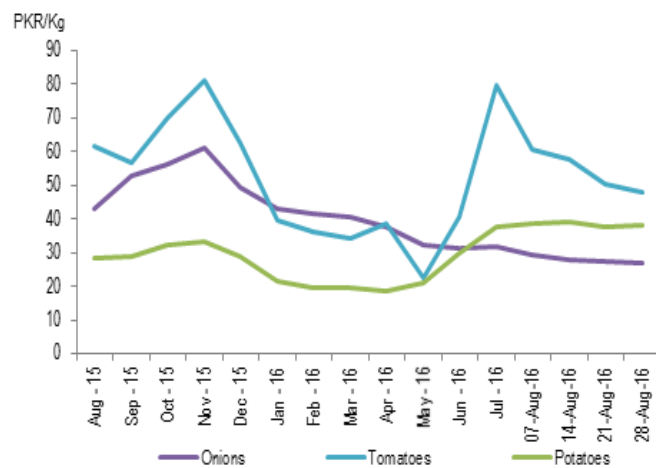
Garlic prices continued to increase and were 78.8 percent higher than a year ago. Prices for tomatoes and onions continued to trend downwards with monthly declines of 31.8 percent and 12 percent, respectively. Annual prices plunged 35.3 percent for onions and 11.7 percent for tomatoes. Some of the factors affecting prices were related to post-harvest management, because the shelf lives of tomatoes and onions are very short.

In **Sri Lanka** (Colombo markets), prices for wheat flour (not shown in graph) were down 3.4 percent compared to the previous month, reflecting increased supply on account of good imports for wheat.

Generally, prices for vegetables have been declining since mid-January to March with the commencement of the major harvesting period for Maha ("Northeast monsoon" from September to March) season. During the intermediate season from March to April that preceded the second harvesting period for Yala (another monsoon season from May to August), dry weather resulted in a minimal cultivation, and this pushed prices up. In addition, during May tropical storm Roanu caused the worst floods in 25 years, severely decreasing supplies of fresh vegetables, pushing prices even higher. In August, prices reflected the arrival of vegetables from the Yala season driving prices down by 57.7 percent for tomatoes, 53.9 percent for green chilies, 43.9 percent for cap chilies, 35.2 percent for red pumpkins, 33.7 percent for okra (vetakolu), 27.1 percent for bitter gourds, 22 percent for leeks, 22.9 percent for green beans, 22.6 percent for red onions and 12.7 percent for eggplants (brinjal).

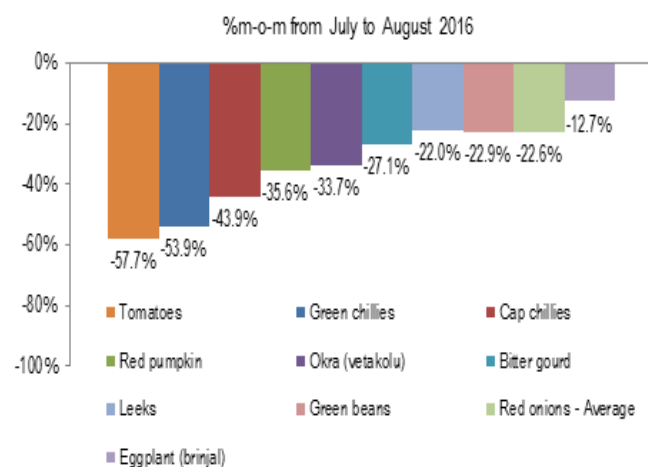
Compared to a year ago, vegetable prices remained high, with increases of 40.6 percent for red pumpkins, 26.5 percent for eggplants (brinjal), 22.8 percent for cap chilies, 15.9 percent for green chilies and 14.5 percent for bitter gourds. High annual prices still reflect the consequences of minimal cultivation during the intermediate season.

Pakistan



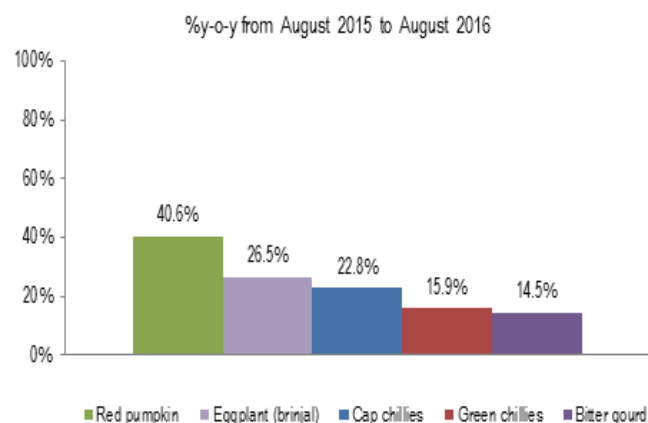
Source: Pakistan Bureau of Statistics, 2016

Sri Lanka



Source: Department of Census and Statistics, 2016

Sri Lanka



Source: Department of Census and Statistics, 2016

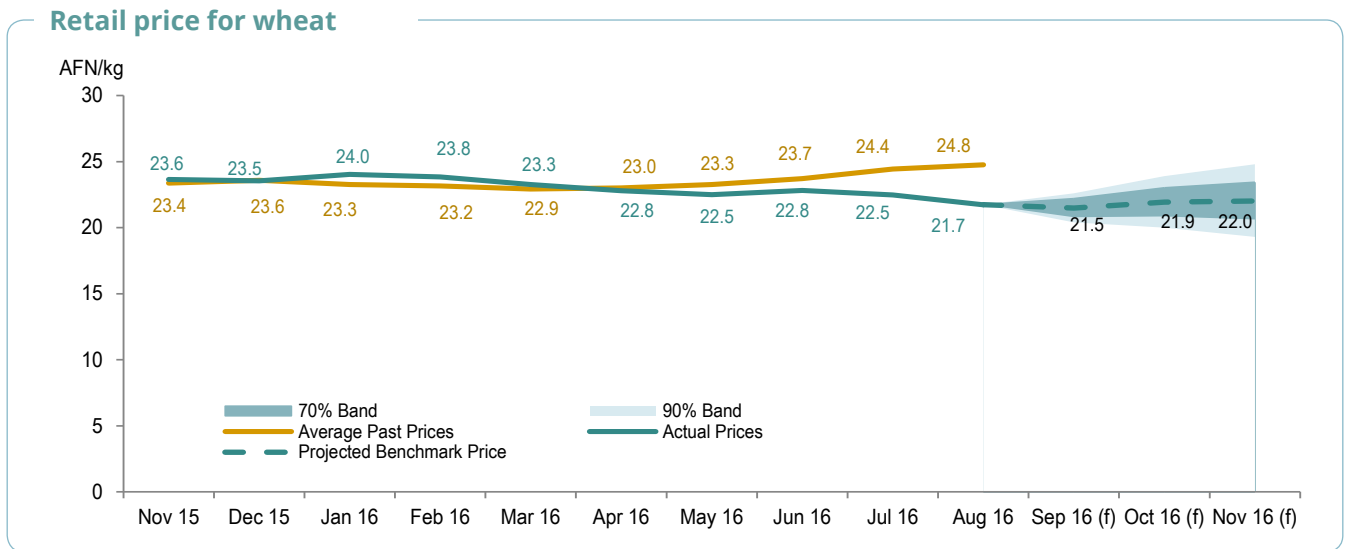
Note: Month-on-month changes are calculated as the price average of the current publication month from the price average of the previous month. Year-on-year changes are likewise reported as the price average of the current publication month from the price average of the same month in the previous year.

PRICE FORECAST

Afghanistan (retail, wheat)

Retail prices for wheat in Afghanistan were AFN 21.7 (US\$ 0.32) per kg in August, a decrease of 3.3 percent from the previous month and an increase of 2.1 percent from August last year. The benchmark future price for September is forecast to be AFN 21.5 (US\$ 0.32) per kg (within a 70% benchmark band of AFN 20.8 – 22.2 [US\$ 0.31 – 0.33] per

kg) a slight decrease of 1.1 percent from August 2016, and an increase of 0.2 percent from the previous year. If prices follow normal seasonal patterns during the next three months, the model forecasts that retail prices for wheat are likely to increase gradually within a benchmark band of AFN 20.6 – 23.4 (US\$ 0.31 – 0.35) per kg.

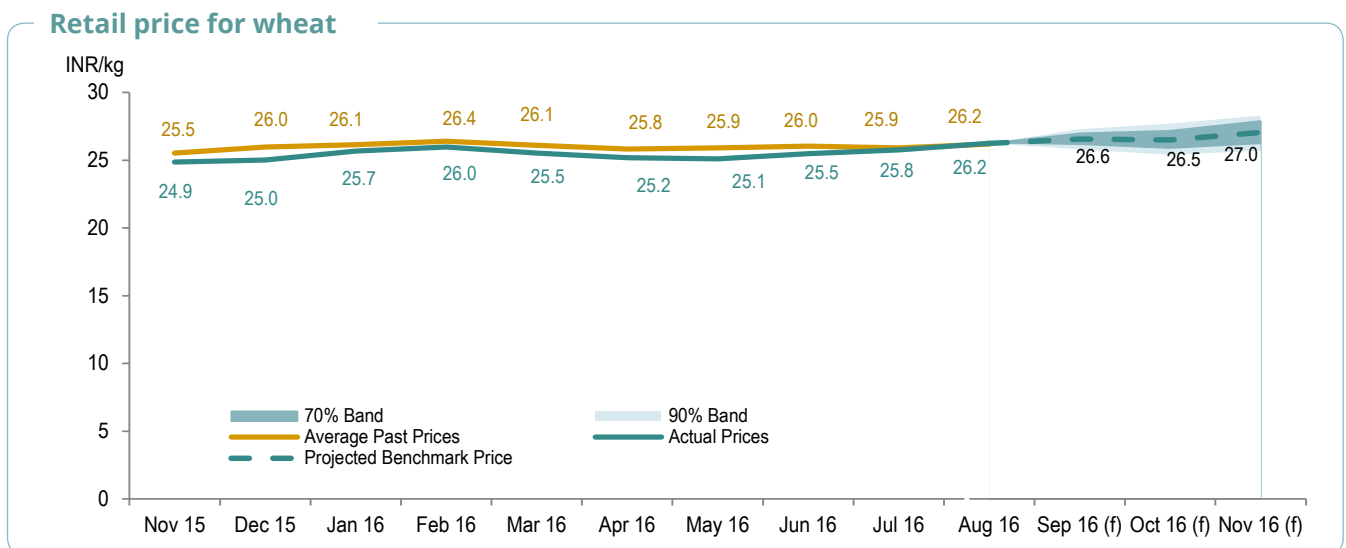


Source: FAO GIEWS and staff calculations, 2016

India (retail, wheat)

Retail prices for wheat in India were INR 26.2 (US\$ 0.38) per kg in August, an increase of 1.9 percent from the previous month and an increase of 8.7 percent from August last year. The benchmark future price for September is forecast to be INR 26.6 (US\$ 0.39) per kg (within a 70% benchmark band of INR 26.1 – 27.0 [US\$ 0.38X – 0.40] per kg) a slight

increase of 1.2 percent from August 2016, and an increase of 9.6 percent from the previous year. If prices follow normal seasonal patterns during the next three months, the model forecasts that retail prices for wheat are likely to increase gradually within a benchmark band of INR 26.2 – 27.9 (US\$ 0.38 – 0.41) per kg.



Source: FAO GIEWS and staff calculations, 2016

Technical notes: The ESA Price Monitoring Model is a simple tool designed to assist policy makers, farmers and traders in assessing whether recent price trends are in line with those typically observed in the past. The purpose of the model is to determine whether short-term price movements of a commodity exceed a benchmark which takes into consideration seasonality, inflation and historic variability. The model uses only data on past prices and the consumer price index (CPI) to capture these characteristics. It establishes an expected level of price for the following month along with a range of uncertainty generated by past deviations from expected prices. Price movements can be interpreted as “excessive” if prices fall outside the benchmark band. The difference between the actual price and the “benchmark price” (1 month in advance) that was forecasted for that same month is also calculated by the model although not shown in the graph. An additional feature of the model is to show the current level of prices relative to an average of past prices during the past four years (adjusted for inflation). For details on the model, please see: <http://www.foodsec.org/web/publications/briefs/>.

NATIONAL POLICY DEVELOPMENTS

Production oriented policies

In **Afghanistan**, the Ministry of Agriculture, Livestock and Irrigation will distribute 280 tonnes of saffron bulbs to farmers in an effort to increase processed saffron products from 5.3 tonnes to 14 tonnes in the next five years. It also plans to expand the capacity of saffron processing by issuing licenses to a number of processing companies this year.

The Government of **Australia** will inject an extra AU\$ 2 million (US\$ 1.5 million) to control pest animals and weeds in drought affected areas. It has already provided AU\$ 15 million (US\$ 11 million) for projects to tackle pests and weeds in line with the Agriculture White Paper issued in July 2015. The Government estimates the country's farmers lose over AU\$ 4 billion (US\$ 3 billion) because of livestock losses by pest animals and weed control costs.

The Government of **Bangladesh** will provide rehabilitation support worth BDT 420 million (US\$ 5 million) to around 400 000 marginal farmers in flood-hit districts. Paddy seeds and seedlings, other seeds and fertiliser will be distributed for free to boost food production and make up flood-affected farmers' losses.

The Agricultural Development Bank of **China** has agreed to offer loans worth at least CNY 3 trillion (US\$ 450 billion) by 2020 to modernise its agriculture industry. The funding aims to ensure national food security, help the sector do business internationally, and develop the country's seed industry. It also aims to promote rural income growth and enhance the industry's efficiency.

In order to increase the productivity and efficiency of **China's** agriculture sector, the Government introduced a five-year plan to further integrate information technology and agriculture. The plan set a target of 17 percent of the sector to utilize the Internet of Things (IOT), along with improving intelligent management in growing crops, and wider use of machinery.

Indonesia injected INR 3.3 trillion (US\$ 250 million) into its maize development scheme, a rise of INR 1.2 trillion (US\$ 92 million) from 2015, in order to reduce imports of the crop. The funds will be used for allocating one million hectares of new land for maize cultivation, machinery aid and price regulations. Indonesia's imports of maize over the first half of this year reached 800 000 tonnes, which was down 60 percent compared to 2 million tonnes of imports in the same period last year.

The Department of Agriculture of the **Philippines** will release PHP 200 million (US\$ 4 million) to help marginal farmers and fishers in the country's ten poorest provinces access financing. The nation-wide Programme for Unified Lending to Agriculture (PUNLA), will provide non-collateralized loans at a 6 percent interest rate, available up to PHP 150 000 (US\$ 3 130) per farmer.

The Cabinet of **Thailand** approved soft loan programmes for promoting large-scale farming and supporting cassava

growers in response to oversupply early this year. The loans for large-scale farming, totaling THB 3.25 billion (US\$ 94 million), is aimed at encouraging farmers to work together in production and marketing in order to cut their costs. It will be available to farmers operating 610 large-scale plantations, with THB 5 million (US\$ 144 000) per borrower at a 0.01 percent interest rate. Loans for cassava farming, with a combined budget of THB 3.24 billion (US\$ 94 million), are for establishing drip irrigation systems, adding value to the crop, and upgrading cassava production and processing standards.

Trade and market policies

In order to stabilize the price of paddy rice, which has fallen sharply from US\$ 240 per tonne to US\$ 192 per tonne over the past month, the Government of **Cambodia** decided to offer loan packages worth US\$ 27 million to millers. Millers will be able to access loans at 8 percent annual interest for buying paddy rice from growers, on condition of purchasing prices of no less than US\$ 218 per tonne.

China lifted its ban on some beef product from the **United States**. The Chinese quarantine authorities announced that bone-in and boneless beef from cattle under 30 months old from the United States are allowed to be imported on condition of agreed rules on traceability and quarantine for the beef products. China halted imports of United States beef following outbreaks of bovine spongiform encephalopathy (BSE) discovered in 2003.

India decided on 26 August to import an additional 90 000 tonnes of pulses, with 40 000 tonnes of lentil (masur), 20 000 tonnes of pigeon pea (tur), 20 000 tonnes of chick pea (desi chana) and 10 000 tonnes of black gram (urad), in order to increase domestic supplies. The total import of pulses for buffer stocks becomes 176 000 tonnes with this decision. Thereafter, India also decided to enhance buffer stocks of pulses up to 2 million tonnes. The new target will be filled by imports of 1 million tonnes and domestic procurement of another 1 million tonnes. India has experienced unprecedented price rises for pulses due to a shortfall in domestic production following two consecutive years of drought.

Indonesia plans to import 100 000 tonnes of buffalo meat from India to stabilize beef prices. Imports of buffalo meat would reach 70 000 tonnes by the end of this year and the remaining 30 000 tonnes would enter the local market in 2017.

On 26 August, **Japan** lifted the suspension of live cattle imports from **Australia** with an agreement on a strengthened export certification process for all consignments. Lifetime traceability for all live cattle and biosecurity clearance for the property of origin are included in the agreement. In May, **Japan** suspended imports of Australian live cattle because bovine Johne's disease was detected in post-arrival quarantine.

Sources: Policy developments for the Asia-Pacific region are collected by FAO from official and non-official websites. For Australia, Australian Government; for Bhutan, Ministry of Agriculture and Forest; for China, Ministry of Agriculture; for India, Press Information Bureau, Government of India and the Economic Times; for Indonesia, US Department of Agriculture; for New Zealand, Ministry for Primary Industries; for Pakistan, Ministry of National Food Security and Research and Business Recorder; for the Philippines, Department of Agriculture, PhilStar and Bangkok Post; for Sri Lanka, the Official Government News Portal of Sri Lanka and Lanka Business Online; for Thailand, National News Bureau of Thailand; for Vietnam, Viet Nam News.

Japan granted market access for **Australian** melons and pumpkins following an agreement on biosecurity rules for exports. The Japan-Australia Economic Partnership Agreement (JAEPA) had already eliminated tariffs on Australian pumpkins, with melons tariffs set to be zero on 1 April 2019.

Consumer oriented policies

The Government of **India** declared the country free from Avian Influenza (H5N1) on 5 September. After an outbreak of the bird flu in May, there have been no further cases reported in the country.

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