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PRICES AND FOOD SECURITY
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This update provides a synopsis of the rapidly changing prices and food security situation in selected countries of concern. It is based on regular WFP internal field updates and its findings may not be statistically significant.

Highlights

- **The Horn of Africa region is experiencing a severe drought that is threatening the lives and livelihoods of large pastoral and marginal agro-pastoral communities.** The la Niña phenomenon, which occurs every two to five years, is keeping East Africa drier than usual and has sparked food-security concerns mainly in parts of **Ethiopia, Somalia** and **Kenya. On 20 July 2011, the UN declared that famine exists in the regions of *southern Bakool* and *Lower Shabelle* in southern Somalia.**
- **Political and social upheavals have had grave economic and humanitarian consequences in the Middle East and North Africa (MENA) and in West Africa,** mainly caused by large population displacements from and within **Libya** and **Côte d'Ivoire** – while tensions have escalated in **Yemen** and **Syria**.
- **Persistently high fuel prices and related shortages have been reported in Yemen, Tajikistan, Myanmar, Senegal, Nigeria, Chad and Malawi.** The steepest spikes were recorded in **Yemen** where speculative fuel hoarding has led to soaring prices in the black market (+200-300% above official rates).
- **Globally, food prices remain high.** Certain commodities are notably higher in **Yemen** (rice +60%), **Côte d'Ivoire** (bread and vegetables +100%), **Mauritania** (wheat +40%), **Guinée Bissau** (oil +85%), and **Ethiopia** (maize and wheat +60%).
- A number of **Governments are taking policy measures** to counter the threat of rising food insecurity. **Egypt, Jordan, Bolivia,** and **Ecuador have increased salaries ranging from 5-15 percent,** while **Indonesia** has lifted import tariffs and increased Government imports.

● Countries in focus

Burundi, DRC, Ethiopia, Kenya, Lesotho,Madagascar, Malawi, Mozambique, Namibia, Somalia, Swaziland, Uganda, Zambia, Zimbabwe • Sudan and South Sudan • Chad, Côte d'Ivoire, Ghana, Guinée Bissau, Liberia, Mauritania, Sierra Leone • Egypt, Libya, occupied Palestinian territory (oPt), Syria, Yemen, Afghanistan, Kyrgyzstan, Tajikistan • Bangladesh, Cambodia, Indonesia, Myanmar, Nepal, Pakistan • Bolivia, Colombia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Nicaragua

Africa

EAST & SOUTHERN AFRICA

FOCUS: Burundi, DRC, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Somalia, Swaziland, Uganda, Zambia, Zimbabwe

- **Food security in the Horn of Africa has deteriorated because of well below average rainfall (+50%) in most parts of the Horn.** The la Niña phenomenon, which occurs every two to five years, is keeping East Africa drier than usual and has sparked **region-wide food insecurity, particularly in parts of Ethiopia, Somalia and Kenya. On 20 July 2011, the UN declared that famine exists in the regions of *southern Bakool* and *Lower Shabelle* in southern Somalia.**

  - Overall, **poor rainfall has particularly affected pastoralist and marginal agricultural livelihood zones** in **Somalia,** northern **Kenya**, and south and south-east **Ethiopia**. Consequent **livestock mortality is reported to be over 15 percent.**

  - In **Ethiopia,** inadequate moisture during the Belg season has led to the near total failure of the sweet potato crop in *Kembata Tembaro, Hadiya, Welayita, Gamo Gofa* zones. **The harvest loss is estimated to be between 70 and 80 percent.**

- **Rising food prices in the region have compounded the food security crisis. Prices of key staples in DRC, Ethiopia, Kenya, Somalia and Uganda were much higher** than in the first week of April. In **Malawi**, transport costs are reported to have risen because of higher fuel prices.

  - In **DRC**, prices of cassava flour in all markets monitored were higher in June 2011 compared with the two-year average. The highest increases were reported in *Kinshasa* (+29.1%), *Mbandaka* (+31.4%) and *Lubumbashi* (+95.7%).

  - In **Ethiopia,** the average national wholesale price of corn and wheat in June 2011 stood above the five-year average (64% and 80% respectively). During the same period in **Kenya,** the price of maize remained 119 percent above the five-year average.

  - In **Uganda** in June 2011, prices of staple foods were well above their five-year averages: maize was up by 67 percent and sorghum by 139 percent.

  - In **Malawi,** a rise in fuel prices has pushed up transport costs, though food prices remain relatively stable.

- Meanwhile, **prices are stable or falling in Madagascar, Zambia, Mozambique, Namibia and Zimbabwe.**

  - Rice prices in **Madagascar** have been falling since the beginning of March when the first crop of rice began to flood the markets, marking the end of the lean season. However, traders are hedging earlier than usual amid fears that rice production may drop by 30 percent in surplus areas.

  - In **Zambia,** prices of maize meal are decreasing. They remain close to the five-year average and lower than in the previous lean season, ensuring better food access for food insecure households than is typical for this time of year.

  - In **Mozambique,** maize prices have been falling (-15%) in 13 of 22 markets being monitored. However, in the past few weeks, prices have started to go up in the grain-deficit markets of the south and northern tip of Mozambique, rising by an average of 20 percent.

  - In **Zimbabwe,** 2010-2011 maize production has reportedly increased (+9%) compared with 2009-2010 yields; small grains production is down by 19.5 percent for the same period.

- **Loss of purchasing power is reported in Zimbabwe and Swaziland**. In **Zimbabwe,** maize access in deficit areas (40 districts out of 60) continues to be affected by either declining incomes or adverse terms of trade (ToT) for livestock owners. In **Swaziland,** the government's proposal to reduce all civil servant salaries by between 5 and 10 percent is likely to have a negative impact on purchasing power, particularly for the most vulnerable households. Trade unionists representing teachers, nurses and civil servants have rejected the cuts as unacceptable, especially for low wage earners.

- **Malnutrition is on the rise and diseases are increasingly prevalent in Kenya, Somalia, Lesotho, Madagascar, Namibia and Zimbabwe.**

  - In *Vakinakaratra,* **Madagascar,** the prevalence of **severe stunting persists** at levels of 34.4 percent, which is categorised as "high" by WHO. In **Namibia,** 77 percent of acutely malnourished children are found in the north-eastern part of the country.

  - An **increased number of diarrhoea cases** is reported in **Lesotho.** Cases are attributed to contaminated water and poor sanitation. In **Zimbabwe,** sporadic and isolated cholera outbreaks are still being reported in a number of districts, although the situation remains well contained.

  - In **Kenya,** there are alarming reports of Global Acute Malnutrition (GAM) rates of 22.7 percent in *Marsabit* (eastern Kenya), 19.8 percent in *Samburu* (Rift Valley), and 27.5 percent in *Mandera* districts (north-east Kenya).

  - In April 2011, rapid Mid-Upper Arm Circumference (MUAC) assessments in **Somalia** indicated that 40 percent of children in *Hobyo* (Central Somalia), 15 percent in the *Sool Plateau* (northern Somalia), and 19-25 percent in the *Shabelle* regions (southern Somalia) were suffering from acute malnutrition.

- **Overall, national crop production forecasts remain favourable in most of southern Africa, with pockets of concern in Lesotho and Zimbabwe.**

  - Above average production is reported in **Malawi, Mozambique, and Swaziland.**

  - In the south of **Madagascar,** maize and peanut harvesting is underway.

  - In **Malawi,** a good national crop harvest and favourable food security conditions are expected.

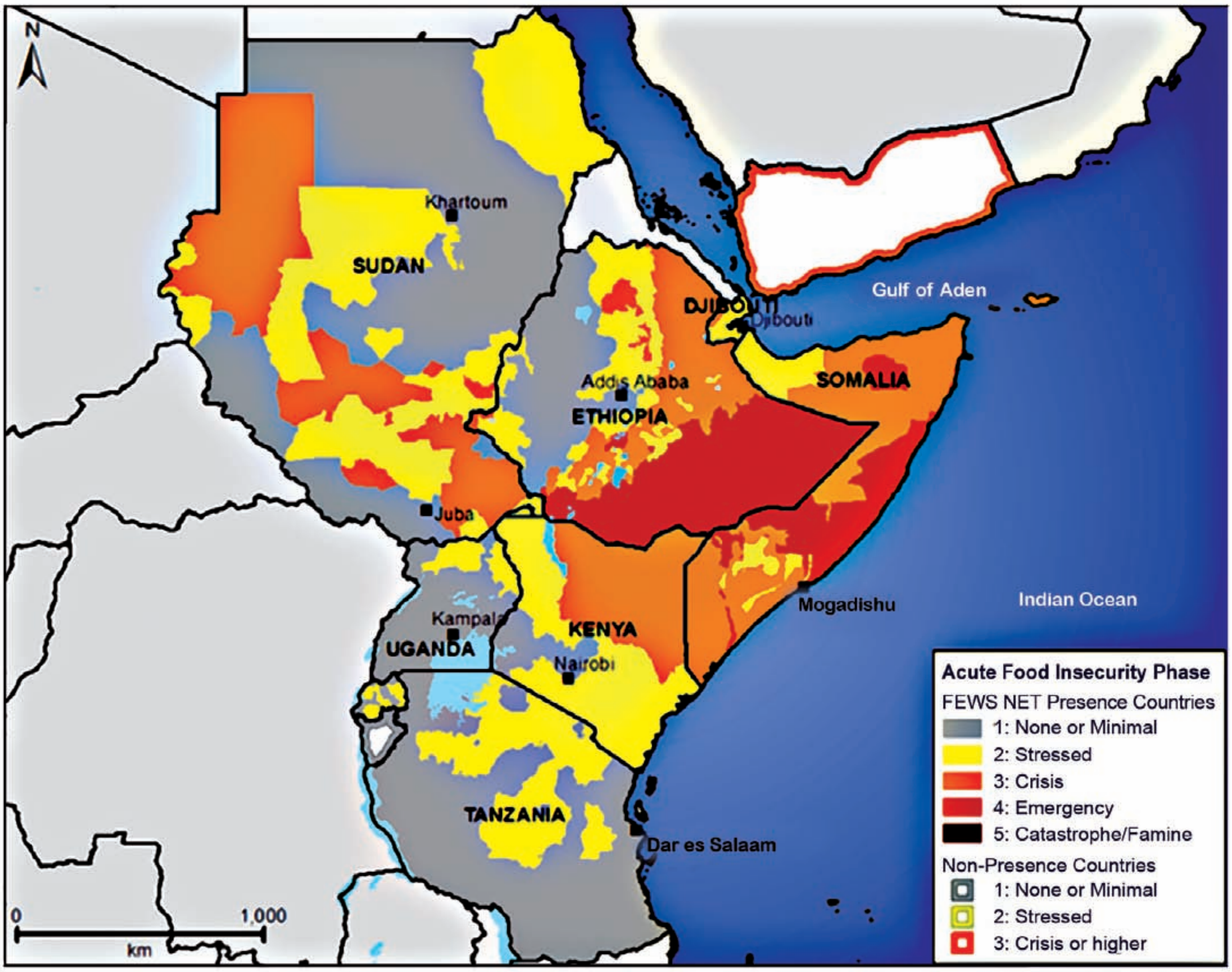
- In **Mozambique,** a normal-to-good harvest is forecasted in the northern region, despite the crop losses reported in the flooded areas of the *Limpopo* and *Zambezi* river basins.

- In **Swaziland,** a 20 percent increase in area planted has led to a 12 percent rise in production.

- In **Lesotho,** crop production is expected to be poor following heavy rainfall between December and February. Compared with last year's yields, maize production has dropped by 60 percent and sorghum by 80 percent.

- In **Zimbabwe,** the maize crop has reached permanent wilting in parts of *Masvingo* and *Matabeleland* south provinces, as well as southern parts of *Mashonaland*.

Food insecurity situation in the Horn of Africa



Source: FEWS NET

SUDAN AND SOUTH SUDAN

- **In South Sudan, five out of the six markets monitored by WFP posted an increase in nominal retail prices for white sorghum.**

  - The price of white sorghum is 40 to 80 percent higher compared with the five-year average in all markets, except for *Wau* in *Western Bahr el Ghazal* in June.

  - This rise is consistent with expected seasonal trends but it could be exacerbated by growing tension along the North-South border, which is likely to reduce the inflow of food and fuel to the bordering states.

  - **In *Malakal,* the price for the same commodity was nearly three times higher than market prices the same time last year.** This is because of the high numbers of returnees, changes in market structure since the referendum (fewer traders and less volume traded), and more recently, because of reduced food and fuel inflows from the North due to political tensions along the North and South Sudan border.

  - While the price of wheat flour is dropping in *Juba, Wau, Rumbek,* it is increasing in *Bor, Malakal and Aweil,* areas that have received the largest numbers of returnees.

  - In **Sudan,** sorghum prices remain stable in the main markets.

- **Several incidences of civil and political unrest are reported in Sudan and South Sudan.**

- Localized demonstrations, mainly triggered by university students, were reportedly held in many cities including in the capital of Sudan.

- In **South Kordofan** and ***Abyei*** regions, a great deal of tension has been generated by many isolated tribal conflicts together with disputes between the ruling parties on many political issues.

- Continued militia insurgencies in *Northern Jonglei and Unity States* combined with cattle rustling and inter-communal clashes in *Lakes and Western Bahr el Ghazal* are still causing displacements and disrupting pre-cultivation activities. **The growing tensions around *Abyei* are likely also to displace large numbers of southern Sudanese, predominantly from the *Dinka Ngok* community.**

- **In South Sudan, the poor March-May season is likely to affect the production of the ongoing first harvest season, especially in the *Eastern Equatoria* region.** This could lead to poor pastures and low water availability, affecting livestock body conditions and livestock production. Current prices do not indicate any abnormal price movements for staples and livestock but **the situation will probably prolong the hunger/lean-season, which typically affects pastoralist purchasing power** until the June rainfall commences.

WEST AFRICA

FOCUS: Chad, Côte d'Ivoire, Ghana, Guinée Bissau, Liberia, Mauritania, Sierra Leone

- **Côte d'Ivoire, a country of strategic importance for the food economies of several West African nations, ended its five-month post-election violence** in April. While the major conflict has ended, the crisis has significantly **affected the food security and economic situation in the region through population displacement and the disruption of trade and transport links.**

  - **The population displacement has led to a regional humanitarian crisis.** The situation has affected the food security of internally displaced populations (IDPs), refugees, host communities and traditionally vulnerable households. **Over 314,000 Ivorians have been internally displaced, with more than 188,000 refugees registered in Liberia,** 16,700 in **Ghana**, 5,890 in **Togo** and 2,790 in **Guinea**. Reports also indicate that undetermined numbers of refugees are spontaneously returning to areas of **Côte d'Ivoire** that are deemed more secure *(Source: UNHCR June 03 & OCHA Situation Report 16 June)*.

  - In addition to these population movements, returnees from **Libya** to **Niger** (75,150 plus 2,600 third country nationals), **Chad** (44,740) and **Mali** (10,230) were also reported *(Source: FAO/WFP April 29)*.

- **Protracted unrest and the embargo[1] in Côte d'Ivoire have negatively affected the functioning of the regional food markets and livelihoods of people in neighbouring countries** (Mali, Burkina Faso, Niger and Chad). Markets and transport links disrupted during the crises are unlikely to revert to full capacity in the near future. **Vital transport links still function sporadically,** particularly the *Abidjan-Ouagadougou* rail link, port operations, cross-border and north-south trade links. However, reports indicate that banks have resumed operations in *Abidjan,* the economic capital of the country.

- **Food and fuel prices remain high in the West African region.**

  - **Fuel shortages** were reported following a four-day strike in ***Dakar,*** **Senegal**, leading to price increases of 9 percent for diesel and 7.7 percent for gasoline. **Diesel prices rose significantly in Nigeria** (+48 percent) between February and mid-April because of disputes between the federal government and diesel marketers.

  - **In Chad, fuel prices have been rising** (+35-45%) since the beginning of the Libyan crisis *(Source: FEWS NET April 2011).* This increase in fuel costs has had a negative impact on market flows.

  - **A drastic increase in prices of food commodities in Côte d'Ivoire** was recorded in April, when the cost of bread and vegetables doubled. The price of wheat is higher than last year in **Mauritania** (+40%); similarly in **Guinea**, prices for imported rice in *Conakry* were 50 percent above the 5-year average. In **Chad**, the retail price of rice is up by 75 percent, while prices of sugar and pasta have increased by 35 and 45 percent respectively. In **Guinée Bissau**, significant price increases were noted between March and April for rice (+28%), cooking oil (+85%) and sugar (+35%); and decreases reported for wheat (30%) between May and June.

  - In contrast with imported food price trends, **prices in the regional coarse grain market are consistent with expected seasonal patterns** and are generally still below 2010 levels.

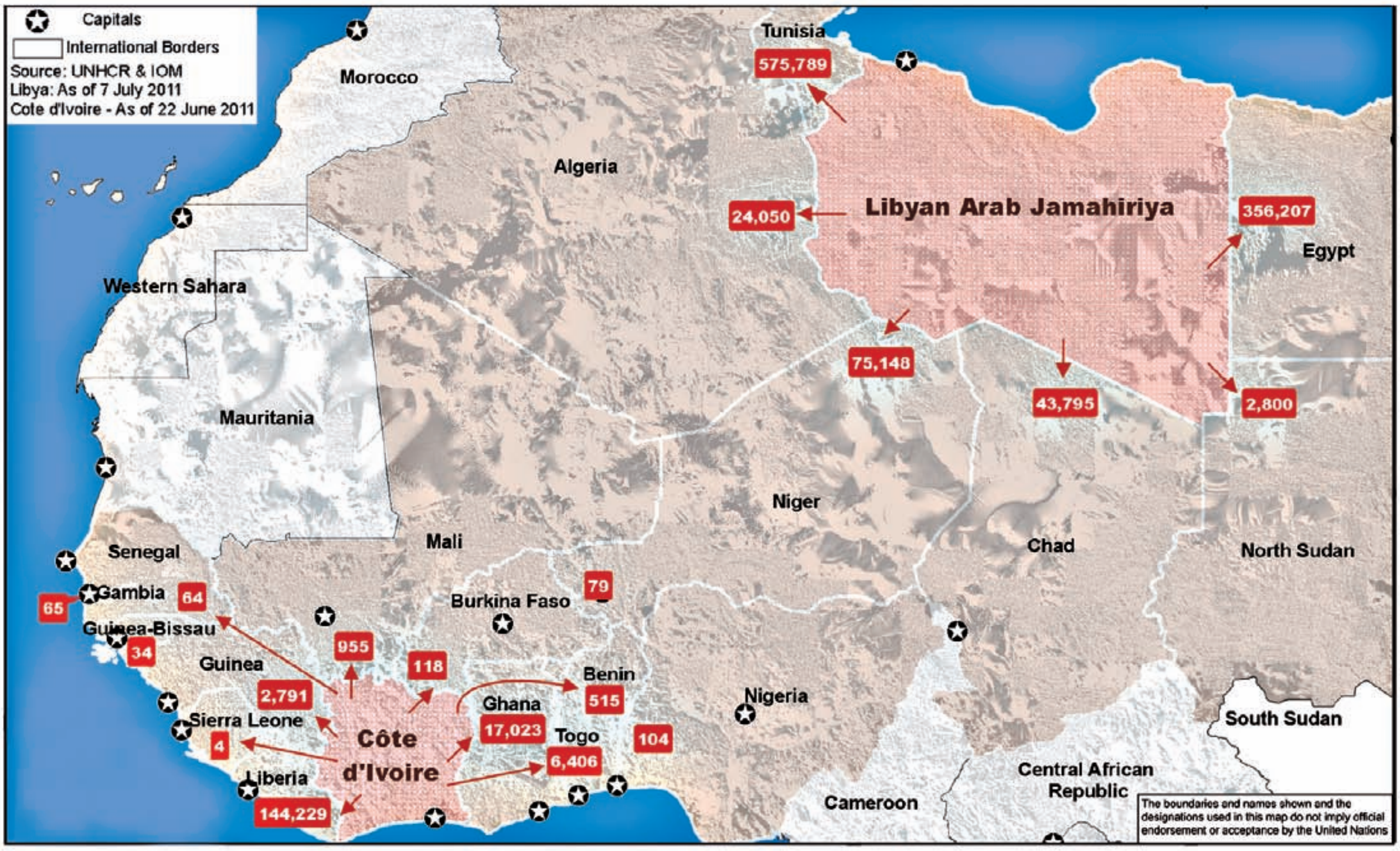
- **Governments in Burkina Faso and Mauritania are implementing a number of policies to counter the rising cost of food.** In **Burkina Faso,** the government announced plans both to reduce taxes on fuel and salaries and to involve importers and consumer groups in discussions on subsidizing basic food staples. In **Mauritania,** the government is implementing a large-scale subsidized food sale scheme through 600 special shops.

- **Purchasing power in Burkina is set to improve as a result of these government measures.** But in Niger, the decline in wages and employment opportunities coupled with rising food prices is eroding purchasing power. For instance, a kilo of onion sold in *Galmi* market costs three times the average price this time last year (*Galmi onions are a valued throughout West Africa).*

  • Good crops prospects are predicted for the upcoming agricultural season. International Research Institute (IRI) forecasts above-average levels of rainfall in the Sahel from June to August. The first rains have already fallen in coastal countries where the 2011 growing season has begun.

1. UNSC has extended the embargo from 28.08.2011 to 30.04.2012

Population movements from Côte d'Ivoire and Libya into neighbouring countries



MIDDLE EAST AND NORTH AFRICA (MENA)

FOCUS: Egypt, Libya, occupied Palestinian territory (oPt), Syria, Yemen

- **MENA countries continue to be marked by a fragile political and economic situation, which is likely to have a significant and protracted impact on food security in and beyond the region, due to massive population displacement and the expected disruption of food supplies.** Around 50 percent of food consumed in MENA is imported.

  - **In Libya,** the political crisis is having a serious humanitarian impact, with an exodus of people fleeing the fighting to neighbouring countries.

  - **By 14 June 2011, about 1,035,000 people had crossed from Libya into neighbouring countries,** *(Source: IOM and UNHCR, June 2011).* This is an increase of over 150 percent from the previous "Special Issue". However, a large percentage of Libyans are already returning home.

  - **IDPs around Benghazi are estimated at 240,000,** with a majority being hosted by friends or extended family, and 10-15 percent living in impoverished sites *(Source: OCHA Situation Reports, April & June 2011).*

  - According to OCHA, the refugee and IDP situation is under control; however, the situation remains uncertain. **There are significant numbers of West African returnees leaving Libya to go back to Niger, Chad and Mali.**

- **High food prices on international markets could raise the cost of food imports. Libya is a net importer with limited agricultural potential, and the country relies on imports for 75-80 percent of its food consumption requirements** *(Source: FAO/WFP, April 2011).*

  - **Household food stocks are fast depleting,** while lost rural labour force and lost income continue to be factors of concern because they could compromise food security in the longer-term.

  - Households are already coping by changing their diets to consume less expensive foods.

  - Additionally, bottlenecks caused by disruption at shipping ports will probably limit food availability even further, as local food processing requires the large-scale import of raw materials.

- **Post-revolution, Egypt is recovering but the impact of the economic and food-security crises persists.** The fiscal deficit is projected to widen to 9 percent in June, and to 10 percent in July. This is due to the deceleration of revenue growth, driven in part by increased expenditures on subsidies.

  - Indeed, **the government subsidy programme is suffering from low stocks: a result of cash flow problems.** A 60 percent deficit of subsidized rice rations was reported as early as April 2011.

- **Prices of main staple commodities in MENA including wheat flour and bread are being regulated** as governments have made price stability a priority.

- Minor price increases have been noted in **Egypt** and **Yemen.** In *lower-Egypt,* prices of rice and lentils have increased negligibly (by 6.5% and 8.3% respectively), whereas in the *Canal* area they have risen by 14.3 percent.

- In **Yemen,** price increases have remained relatively low, but recent assessments show that average food prices are 7 percent higher in rural areas than in urban areas. Additionally, in rural areas progressive hikes in food prices were reported between January and May 2011 for four main food commodities: rice (+67%), vegetable oil (+33%), wheat flour (+38%) and sugar (+22%). The cumulative price increases over the past 7 months are reportedly eroding the food security situation of the segment of the population already considered severely food insecure.

• Meanwhile, **fuel shortages continue in Yemen, with most fuel stations remaining closed. Official fuel prices continue to rise, while black market prices are 233 to 300 percent higher than the official price.**

• These fuel shortages continue to impact transport costs. **Public transportation costs have increased 100 percent in urban areas and 200 percent in rural zones.**

• **Purchasing power is falling, and more negative coping strategies are being adopted.**

- Income-earning opportunities in **Egypt** (especially for casual work) are on the decrease, with overall unemployment remaining a concern. The tourism and construction industry continue to be particularly hard hit, which is **eroding household purchasing power.** Households previously considered as better off are now relying on subsidized *baladay* bread.

- **The purchasing power of Yemeni households continues to deteriorate,** largely because of the weakening *Yemeni Rial* and the gradual price increase of main staples. **Families are currently devoting 30-35 percent of their income to buying bread** alone.

- The country is also highly vulnerable to international market price volatility, given that **96 percent of Yemenis are net importers**.

- Households in **Yemen** have begun to stockpile food as a protection mechanism against increasing uncertainties.

- In **Egypt,** reports indicate that many children (aged 14-16 years) have dropped out of school in search of work to support their families, **while families have reduced dietary diversity and the number of meals eaten per day.**

- In the **Gaza Strip** (oPt), a combination of reduced humanitarian assistance, higher food prices and eroded coping mechanisms may further compromise food security.

• Meanwhile, in **Yemen and Syria, tensions and civil unrest continue.** In **Yemen,** the president has departed to Saudi Arabia for medical treatment following the attack on the presidential palace, which has led to a cease-fire in the capital city of *Sana'a.* In **Syria,** the unrest, which started in mid-March, has escalated with increasing reports of civilian casualties, more recently in the north of the country.

Asia

CAUCASUS AND CENTRAL ASIA

FOCUS: Afghanistan, Kyrgyzstan, Tajikistan

• **Food and fuel prices are on the rise in Afghanistan, Kyrgyzstan and Tajikistan.**

- In **Afghanistan,** average wheat grain prices rose in May 2011 due to predictions of a poor harvest in the main wheat growing areas. In the major urban markets, the price of wheat was 5 percent higher than in March 2011. The northern and central highland provinces are the most affected. The highest price increases occurred in *Maimana* (+22%), *Mazar* (+17%), *Faizabad* (+6%) and *Jalalabad* (+5%). Wheat flour contributes 57 percent of the total caloric intake of the poor, and past studies have shown that a doubling of wheat prices decreases value of food consumption by 20 percent, calories fall by 7 percent, food diversity score by 10 percent, and protein consumption by 25 percent.

- In **Tajikistan**, prices for wheat flour and oil remain stable except in *Dushanbe* where there was a 5.2 percent rise in cotton oil prices. *Dushanbe, Khujand and Gharm* have witnessed an increase of 4 to 6 percent in prices for meat, while chicken meat has gone up by between 3 to 10 percent in *Gharm and Kurgan-Tuybe.*

- In **Kyrgyzstan,** higher prices were observed for meat (+4%), sunflower oil (+3%), and maize (+22%) compared with the first week of March 2011.

- Since 1 May, **Russia has increased petrol export tax by 44 percent.** This has led to a sharp rise in fuel prices in **Tajikistan** markets. Between April and May, prices for diesel rose by 18.6 percent and prices for petrol went up by 16 percent, which is a 51 percent surge in comparison to last May.

- The price of cotton oil has increased in all markets. The higher costs of transporting cotton oil from *Dushanbe* to other regions have contributed to the price hike in local markets.

- Prices of some vegetables and tubers (potatoes) rose by as much as 22 percent. This increase is attributed to fewer stocks and higher transportation costs.

- In **Tajikistan,** even though the results of the crop estimates are yet to be published, the important winter wheat crop is expected to be lower than in 2010 because of prolonged dryness during the planting period *(Source: FAO, May 2011).*

- **Purchasing power is falling.** In **Afghanistan,** the ToT for casual labour and wheat (affecting urban livelihood groups dependent on wage labour) and for one year old female sheep and wheat (affecting pastoralist livelihood groups) declined respectively by 2 and 6 percent from April to May. Furthermore, over a 12-month period, both ToTs have fallen by 25 percent.

  - **Household purchasing power in Kyrgyzstan has decreased because commodity prices have risen more than income.** This especially affects poor households who have already exhausted typical coping strategies and who are now adopting distress mechanisms such as spending entire days without eating, skipping meals, and reducing meal portions.

- **In Tajikistan, households are coping by reducing the number of meals eaten per day.** In some areas, families are coping by eating their seed stocks, which could jeopardize upcoming potato harvests.

SOUTH AND SOUTH EAST ASIA

FOCUS: Bangladesh, Cambodia, Indonesia, Myanmar, Nepal, Pakistan

- **Food prices in April 2011 continued to increase in Pakistan, Nepal and Cambodia. They were stable in Myanmar but declined in Indonesia.**

  - **In Pakistan, wheat prices remained high in April 2011, but have been relatively stable since November 2010.** The average retail price of wheat flour in the main *Punjab* markets has been rising since 2006 to a peak of Rs30/kg[2]. The price increases can be attributed to a 4.7 million-tonne decline in domestic cereal output in 2010-2011, caused by flood-related crop losses. Wheat is the country's main staple food, accounting for 35 percent of the total dietary energy supply.

  - In **Cambodia,** the average retail price of the lowest quality rice in rural and urban areas posted a 2-8 percent monthly increase in April 2011, and a 16.8 percent increase compared with last year. Rice prices have been steadily decreasing since November 2010, but this trend is beginning to reverse.

  - In **Myanmar,** the price of rice remained stable in most markets, recording an overall increase of 11 percent on average.

  - Meanwhile in **Indonesia,** average rice prices continued to fall throughout April-June. The decrease seen since February 2011 is probably due to predictions of a good upcoming harvest. However, the current price is still 18 percent higher than the same month last year.

  - In **Nepal,** the average price of most commodities has remained relatively stable over the past three months as **the winter crop harvest was completed in April/May 2011.** However, **wheat prices posted increases** in *Banke* (+ 35%), *Kaski* (+12.5%), *Kathmandu* (+ 11%) and *Rolpa* (+ 22%). This could impact food security in these areas.

- **Continued fuel price increases are provoking corresponding rises in food transportation costs:** 10 percent of traders in **Nepal** reported that the price of transport had increased compared with March 2010. **In Myanmar, fuel prices increased by 20 percent in March 2011** compared with the same time last year.

- In **Indonesia** the import duty exemption on rice put in place between December 2010 and March 2011 was extended in April, in order to keep mitigating rising prices.

- **The border clashes between Thailand and Cambodia in April 2011 will continue to restrict the outflow of paddy from Cambodia to Thailand.** This worsens the already low demand for Cambodian paddy (in spite of increasing exportable surpluses) from Vietnam and Thailand. Note that the latter also have large carry-over reserves.

- **In late March, a trade union-led industrial strike closed more than 1,500 industries and factories in major industrial areas of the Terai in Nepal for eight days.** The closure of around 1,000 industries in *Birgunj-Pathalaiya* and of over 500 industries in the *Morang-Sunsari* industrial corridors disrupted the supply of some processed and packaged food items.

- **Prospects for the upcoming staple harvest are favourable in Nepal and Indonesia, but are relatively low in Pakistan.**

  - In **Nepal,** the harvest of winter crops (in particular, of wheat and barley) marked a 12 percent increase compared to the good outcome of 2010, with a positive impact on market supply perspectives. The overall supply situation in the country is good and markets in the hills, mountains and *Terai* remain relatively well stocked.

  - In **Indonesia,** the current harvesting, which started in March, will be successful. Total national rice production is set to reach a record high of 65.98 million mt in 2011.

  - In **Pakistan,** the government projects a 10 percent reduction in wheat production compared with a normal year. However, from May 2010 to April 2012, the wheat supply is expected to satisfy national requirements (estimated at 25 million tonnes), due to the high carry-over stocks (4.3 million tonnes from May 2010) and good pre-flood production (23.8 million tonnes were harvested before the floods).

2. 1USD ± 44 Indian Rupees

Latin America and the Caribbean (LAC)

FOCUS: **Bolivia, Colombia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Nicaragua**

- **Food prices have increased in the region, particularly in Argentina, Bolivia, Brazil, Colombia, Mexico, El Salvador, Haiti, Honduras, Guatemala and Nicaragua.**

  \- Over the past three months, maize prices have risen in **Argentina** (+14%), **Brazil** (+15%) and **Mexico** (+37%). Prices increases in these markets have a high transmission effect to the rest of the LAC region. For example, increased international food prices have affected the local market in Haiti, where May 2011 prices were as high as the period immediately following the earthquake. The price of imported corn in April 2011 was 111 percent higher than in June 2010. While wheat prices doubled over the same period.

  \- Maize prices have increased in the second quarter 2011 in **Guatemala, Nicaragua,** and **Honduras** (+15%, +22% and +16% respectively) compared to the first quarter of 2011.

  \- In **El Salvador,** higher raw material prices are affecting the food industry. The price of rice has gone up by 10 percent, while price of sorghum has increased by 60 percent.

  \- In **Guatemala,** the price of a bushel of maize in May 2011 was 51 percent higher than in May 2010 *(Source: FAO).*

- **Drought conditions are reported in Cuba, Ecuador, Honduras, and Mexico. Bolivia and Colombia have been hit by floods.**

  \- In **Cuba,** the water supply in Havana is at its most critical level in fifty years because of a severe drought. Over one million people are affected by water shortages, which could worsen since the May-June rains have been unfavourable. Around 100,000 residents of Havana have been left without potable water and are relying on water trucks for their supply.

  \- In **Honduras,** the Ministry of Agriculture has confirmed that in recent months, 260 heads of cattle have died in different sectors of the department of Olancho (south-east of Honduras), due to a lack of pasture and water.

  \- In **Ecuador,** an emergency was declared in the provinces of *Los Ríos, El Oro, Manabi, Guayas and Loja* at the beginning of April as a result of **prolonged drought, which has affected over 210.000 hectares of maize and rice.**

  \- In **Mexico,** a lack of potable water caused by the dry season was reported in the towns of *Chalco* and *Nezahualcoyot.* The municipality of *Ciudad Valles* reported that drought in the *Huasteca* has hit producers of oranges, sugar cane, maize and sorghum.

  \- By contrast, **Bolivia** has seen flooding from the Beni and *Madre de Dios* rivers, affecting about 25,000 individuals. The most urgent needs were for shelter, water and basic sanitation. There are currently around 400 people in emergency shelters.

  \- Similarly, in **Colombia,** the rains have affected about 2,790,000 people since the beginning of the rainy season in April 2011. Children are at risk of malnutrition in *Sucre* (11%), *Córdoba* (20%) and *Atlántico* (13%).

  \- In **Venezuela,** above average rainfall in April and May has delayed the sowing of the 2011 maize crop. Crops which have already been sown have also been damaged by the rain.

- **Food consumption in Nicaragua has decreased** with about 90 percent of the population reducing the quantities of food prepared.

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The Spanish Government provides financial support for the strengthening of WFP's Food Security Monitoring Systems. The support also covers the preparation of the Global Update.