

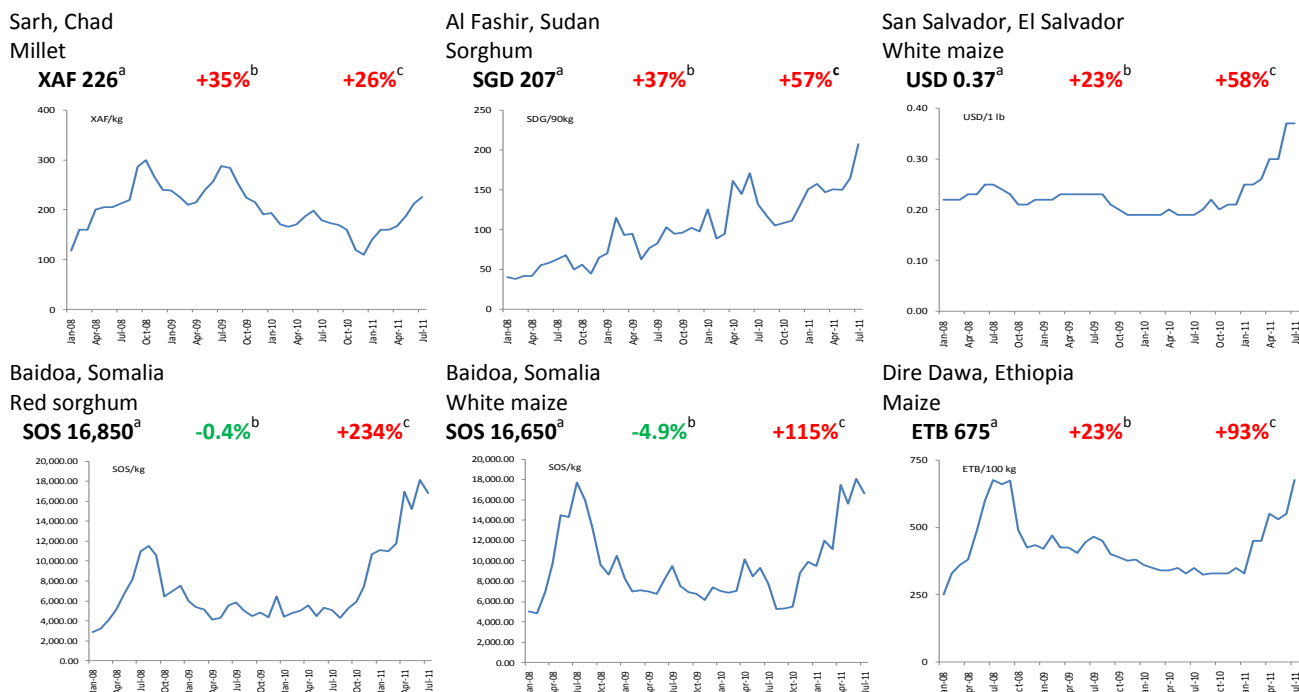
PRICE WATCH: July Food Prices

August 31, 2011

The Famine Early Warning Systems Network (FEWS NET) monitors trends in staple food prices in countries vulnerable to food insecurity. The Price Watch provides an update on trends in selected urban centers. Prices for key markets and commodities monitored (mostly at the retail level) are made available in the Price Watch Annex.*

- In East Africa, grain prices have declined slightly in areas with harvests underway, including in western Kenya, Uganda, southern regions of South Sudan, and Somalia. Prices have continued to rise in deficit areas not yet harvesting.
- With poor production prospects in the Horn of Africa and Sudan, there is a strong demand for exportable supplies in countries like Uganda, such that markets are likely to remain tight as harvests proceed. Export bans in Ethiopia and Tanzania have further tightened these markets.
- White maize and bean prices in Central America showed signs of stabilization as the *primera* harvest recently started, but the prices of these staple foods remain very high.
- Wheat prices in Tajikistan and Afghanistan have been stable but high, following poor harvests. Stable prices in Pakistan and good production prospects in Kazakhstan have played a role in stabilizing prices in Tajikistan and Afghanistan.
- In West Africa, the prices of local grains have remained stable as stocks are adequate and harvests are starting in coastal countries. These prices are lower than last year in many places, but rice prices tend to be higher.
- In Southern Africa, maize prices are following seasonal trends, remaining stable or beginning to rise in surplus areas.

Figure 1: Food price trends in selected reference markets, 2008-11



^a Current monthly average price; ^b change over three months; ^c change over one year.

Sources: Food Security and Nutrition Analysis Unit-Somalia (FSNAU), FEWS NET, Ministry of Agriculture and Livestock (MAL) of El Salvador, World Food Program (WFP), Ethiopian Grain Trade Enterprise (EGTE)

* FEWS NET gratefully acknowledges partner organizations, ministries of agriculture, national market information systems, the Regional Agricultural Intelligence Network, the Food and Agriculture Organization, the World Food Program, and other partners, for assistance in providing price data.

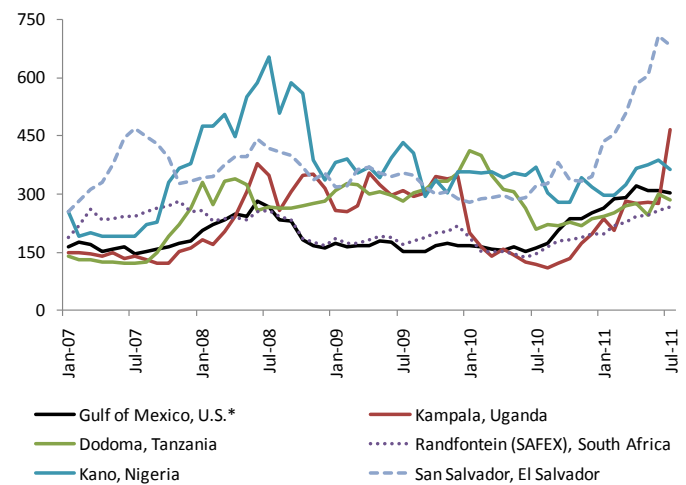
OVERVIEW

Current situation. From July to August, maize and wheat prices in international export markets rebounded from their lows in June while rice prices had significant gains. The price of hard wheat in the United States (U.S.) export market rose by 6 percent between late June and late August due to diminished prospects for the U.S. spring crop and reduced output in Europe. Despite Russia and Ukraine's re-entry into the export market, **wheat markets are still tight**, especially for high-quality milling wheat. Meanwhile, export maize prices in the U.S. and Argentina slightly increased, remaining about the same as their 2008 peak. The rebound in maize prices came after a large cut in forecast production in the U.S. due to dryness and heat in July. **Maize markets have remained tight** despite the likely end of federal tax credits for blenders of ethanol in the U.S. In addition, **rice prices in export markets in Asia increased significantly, with the price of Thai rice 100 Percent B Grade rising by 11 percent from around USD 550 to USD 610 between mid-July and late August.** The main factor behind this upswing in prices is a proposed policy by the Thai government to purchase rice paddy to raise producer prices. Thailand supplies close to a third of world rice exports. The price of rice has also increased in Pakistan.

The surge in food commodity prices between 2010 and 2011 has permeated to many food-insecure countries monitored by FEWS NET in various ways. The rise in yellow maize prices in export markets has dramatically affected maize markets in Central America. Wheat prices in Central Asia are now significantly higher than they were a year ago. Imported, processed products including vegetable oil, sugar, wheat-based products such as pasta, and milk powder have increased in most countries in Africa, Central America, and Central Asia. The rise in oil prices has also been transmitted to most food-insecure countries, where higher fuel costs have most likely had repercussions on food prices.

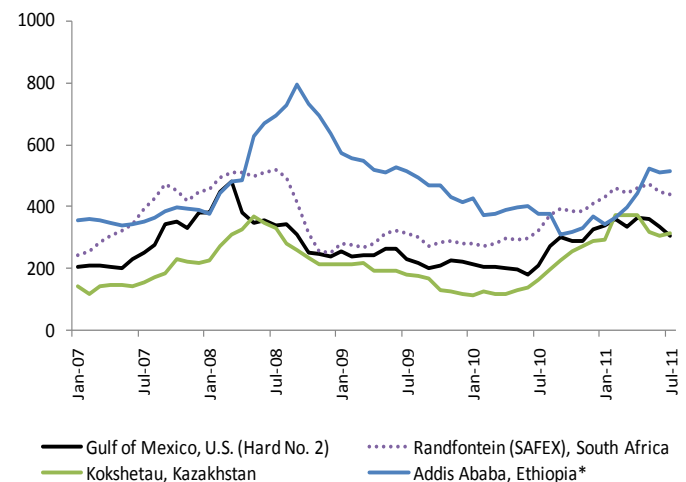
At this time of the year, many countries are harvesting food crops or will soon enter their main harvest period. In some regions, prices are easing as new crops arrive on markets, producers and traders market stocks from last year, and the reliance of households on markets begin to lessen. Wheat grain and flour prices have been mostly stable in Afghanistan and Tajikistan following the local, spring and summer harvests. Central Asian countries have also benefited from the recent stabilization of wheat prices in Kazakhstan, the largest exporter of wheat in the region and, for Afghanistan, from Pakistani wheat flour exports at relatively low prices. In Central America, maize prices are leveling off in some markets. For instance, the price of white maize on the wholesale market of San Salvador, El Salvador, was stable between June and July, while remaining about 140 percent higher than last year. In West Africa, harvests are underway in the Gulf of Guinea zone and the south of the Sudanian zone, which is bringing new crops to markets and lower food prices. In Kano, in northern Nigeria, wholesale prices for maize, millet, and sorghum decreased by about 10 percent between June and July as traders have put their stocks on the market. In southern Africa, staple food prices were relatively low following good harvests generally in 2011, but they recently started to increase.

Figure 2: International and regional white maize export or wholesale prices in USD per metric ton (MT), 2007-I I



*Denotes yellow maize. All others are white maize.

Figure 3: International and regional wheat export or wholesale prices in USD per MT, 2007-I I



* Denotes retail price. All other prices are export or wholesale.

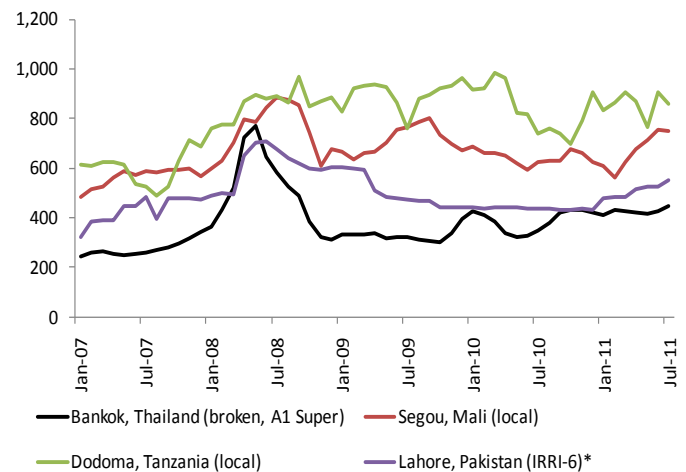
Sources: Food and Agriculture Organization of the United Nations (FAO), Ministry of Industry, Trade, and Marketing (MITM) of Tanzania, Regional Agricultural Trade Intelligence Network (RATIN), South Africa Futures Exchange (SAFEX), Dirección General de Economía Agropecuaria (DGEA), KazAgroMarketing, EGTE, WFP

In East Africa, there are signs of easing in markets near areas that have started to harvest food crops, in particular, in western Kenya, Uganda, southern regions of South Sudan, and Somalia. However, it appears that the price declines that the harvests are bringing will remain somewhat dim. In Somalia, the *Gu* harvest was poor and the decline in maize and sorghum prices of last month should be short-lived. Where production prospects are good, like in Uganda, strong import demand from neighboring countries is maintaining upward pressure on grain prices. In addition, trade flows from surplus areas to deficit areas have been hindered due to various causes including export bans on food crops in Tanzania and Ethiopia and insecurity and conflict along the border between Sudan and South Sudan.

The FEWS NET food price indices[†] show that retail food prices in East Africa generally continued to increase between June and July. In Southern Africa, staple food prices are starting to increase as the marketing year progresses. In West Africa, the price of staple foods have increased seasonally so far, although in the coastal countries of West Africa they have been increasing faster than in the Sahel due to their greater dependence on imported food commodities.

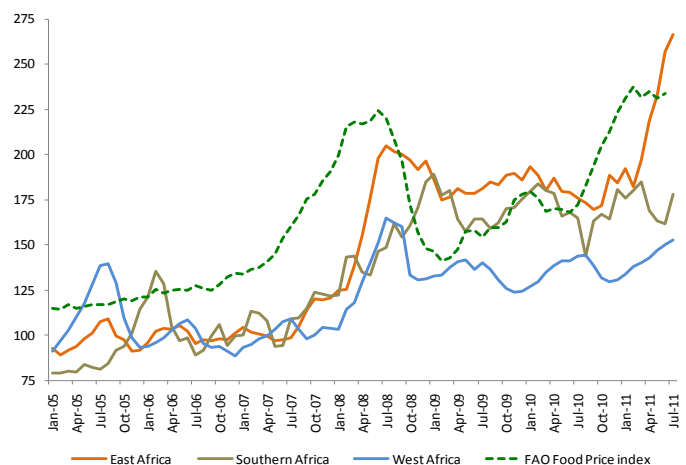
Outlook. Maize prices will most likely remain high given the recent cut in world production forecasts and the projected decline in carryover stocks in 2011/12. **Wheat prices are also likely to stay higher than in early 2010** as the growth in supplies of high-protein milling wheat is weak relative to the growth in consumption. Grain consumption is projected to rise faster than production in the 2011/12 marketing year, and world grain stocks are projected to decline again, according to the International Grains Council (IGC). **World rice production is forecast to increase slightly more than consumption in 2011/12 as production prospects are good (International Grains Council).** **Unless trade in rice is disrupted by national policies, prices should remain relatively stable.** If, however, rice prices were to increase, this development would have an adverse impact on food security in low-income, food-deficit countries, especially in the context of high oil prices and a global slowdown in economic activity.

Figure 4: International and regional rice export or wholesale prices in USD per MT, 2007-11



Sources: FAO, WFP, MITM, Observatoire du Marché Agricole (OMA)

Figure 5: FEWS NET African regional price indices and FAO Food Price Index, 2005-2011



Sources: FAO, FEWS NET

Note: The base years of the FEWS NET regional price indices are the regional marketing years ending in 2006. The FAO Food Price Index uses 2002-2004 as the base period. The Southern Africa index excludes Zimbabwe because of hyperinflation in 2008. This month the West Africa index excludes Togo and Côte D'Ivoire due to missing data. The July 2011 FAO food price index is not yet available from FAO due to summer vacation.

[†] To provide a better picture of how consumer prices are behaving in regions monitored by FEWS NET, a series of regional price indices was constructed. These indices are based on equally-weighted retail price quotes for staple foods consumed by the poor (key local and/or imported cereals, pulse, and/or tuber) in reference markets of FEWS NET countries' capital cities.

EAST AFRICA

Current situation. From June to July, the prices of locally produced staples, including maize, beans, sorghum, and millet, continued to rise on most markets in Ethiopia, Sudan, Kenya, Tanzania, and northern South Sudan as the lean season progressed. In Somalia, southern South Sudan, and Uganda, prices began to fall slightly from June to July due to the arrival of harvests on the market. While new crops are reaching the market in Rwanda and Burundi, high export demand has muted the usual seasonal decrease in price for some commodities. The prices of imported cereals such as rice and wheat were relatively stable in most markets.

In Kenya, the price of maize continued to increase from June to July, but prices began to fall starting in the grain belt areas of western Kenya at the beginning of August. The decline can be attributed both to the supplies from the ongoing harvest and to increased duty-free imports through Mombasa. However, all of these slight declines in local grain prices come from high starting points. Maize prices continued to rise in pastoral areas as stocks are low and price transmission from the grain belt is relatively weak. While maize prices had not yet declined by July, short-cycle crops like potato and beans had entered the market increasing availability and significantly decreasing prices.

In Ethiopia, the seasonal decline in available supplies and the increase in demand from market-dependent households during the lean season has led to increasing cereal grain prices. Food transfers under the Productive Safety Nets Program (PSNP) and food aid distribution had briefly stabilized prices between May and June, but prices continued to increase between June and July. The near failure of the *belg* harvest contributed to these steeper-than-normal price increases.

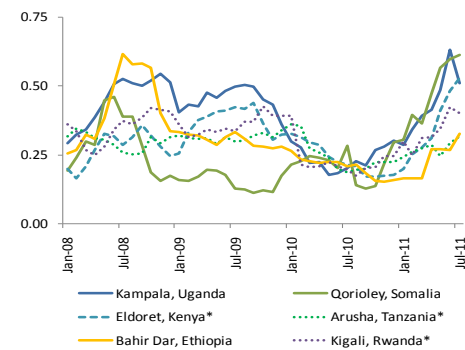
In Djibouti, despite restrictions on informal grain exports in Ethiopia, prices of regionally procured cereals like sorghum were relatively stable.

In northern Somalia, prices of local cereals in areas currently harvesting such as Burao showed a slight decline from June to July. However, in areas dependent on imports of sorghum and maize from Ethiopia, like Togwajale, prices continued to increase. Meanwhile, prices for local grains in southern Somalia also slightly declined, though primarily in Lower and Middle Shabelle where production was better. White maize and red sorghum prices in central and southern Somalia remain two or three times higher than last year. **Prices for cowpea, an essential source of protein, continued to increase due to near failure of the harvest from drought and pest infestation.**

In Uganda, the ongoing harvests have brought about declining prices for matoke (cooking banana), beans, and millet, but prices remain much higher than last year. Maize and sorghum continued to increase from June to July due to high strong demand from neighboring countries. Similarly, in Burundi and Rwanda, the recent harvests have led to an improvement in food availability, but strong demand from importing countries in the region for commodities such as beans and maize has driven prices further up in some markets.

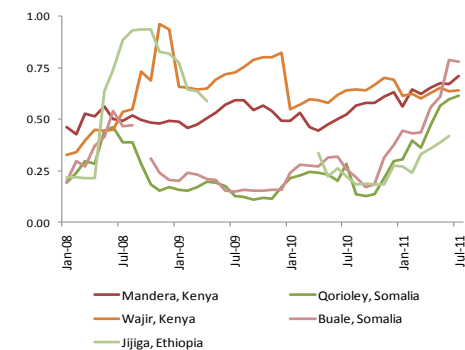
In Tanzania, maize prices were relatively stable, remaining significantly higher than last year despite the recent harvest and an export ban on food commodities. Traders are holding large maize stocks as they expect cross-border trade to eventually resume, but they are slowly releasing stocks into the domestic market. Prices are higher along the northern and western

Figure 6: Prices of white maize in USD per kg in surplus areas of East Africa



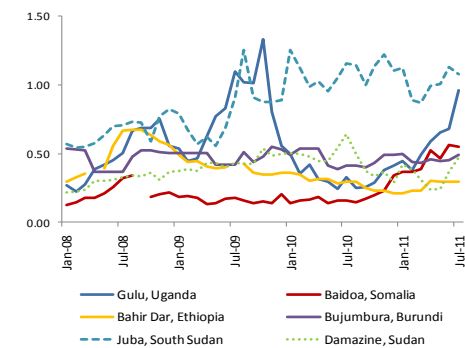
*Denotes wholesale. All other prices are retail.

Figure 7: Prices of white maize in USD per kg in the Horn of Africa, 2008-I I



*Denotes yellow maize. All other prices are white maize.

Figure 8: Prices of sorghum in USD per kg in East Africa, 2008-I I



Sources: FSNAU/FEWS NET, RATIN, WFP, MITM, FAO, Arid Lands Resource Management Program (ALRMP), EGTE, Ministry of Agriculture of Kenya, FarmGain Africa Ltd.

borders due to upward pressure from informal trade flows. Rice and bean prices are also higher than last year, with part of the recent rise in rice prices being due to increased demand during Ramadan.

In South Sudan, prices in northern regions which primarily source sorghum from Sudan continued to increase. Trade restrictions and other impediments including insecurity along the border have greatly limited sorghum exports from Sudan to South Sudan. In southern South Sudan, the ongoing harvest and imports from Uganda have brought prices for sorghum down. **In Sudan, prices for millet, sorghum, and wheat increased from June to July reflecting the depletion of supplies, the delayed start of the rains, and low planting levels in the sorghum belt.**

Outlook. Prices of local cereals and pulses will fall slightly in Somalia, Kenya, Uganda, and South Sudan as the harvest continues and new crops flow to markets in August and September. **In Somalia, the decline is likely to be short-lived and soon followed by a rise as the prospects for the Gu harvest are well below normal. Food prices will continue to increase in Sudan, northern South Sudan, and Ethiopia until September, as the lean season peaks. Ethiopia's export ban is likely to cause a rise in the price of sorghum and sorghum flour in Djibouti.** Given Tanzania's export ban, Uganda's exportable maize supplies are in high demand in East Africa and in the Democratic Republic of Congo, and the price of maize, unlike that of sorghum and beans, is likely to remain high.

SOUTHERN AFRICA

Current situation. Over the past quarter, with a few exceptions, staple food prices have been relatively stable, remaining mostly flat between June and July. This has been the case for maize in particular. **In a few cases, however, notably beans, prices started to increase moderately.** Price increases have been driven by an increase in demand, either due to the seasonal increase in demand from market-dependent households or to strong exports. Traders have responded to incentives provided by significant price differentials by moving food commodities from Tanzania and Malawi to the Greater Horn of Africa region, and from Malawi to Zimbabwe. Despite increased cross-border trade activities, the price increases seen in the region have remained moderate.

In Zambia, maize surpluses are large but export opportunities are limited, and thus maize prices have remained flat. In July, the Food Reserve Agency bought maize at prices above market prices, under a program aiming at the purchase of 1.3 million MT of maize from small-scale farmers, but the price impact was limited. Prices are well below the five-year average. In Mozambique, which has had an average harvest of food crops this year, prices are generally significantly lower than at the same time last year except in some markets, while still remaining above the five-year average. Like in neighboring surplus countries, maize prices in Zimbabwe have been generally stable. However, they are higher compared to last year.

In South Africa, the SAFEX white and yellow maize spot prices continued to climb steadily. The SAFEX spot price for white maize increased 11 percent over the April – July period. This increase is partly in response to rising demand from international export destinations as international prices remain high and the country aggressively markets its surpluses overseas.

Figure 9: Prices of white maize in USD per kg in Southern Africa, 2008-11

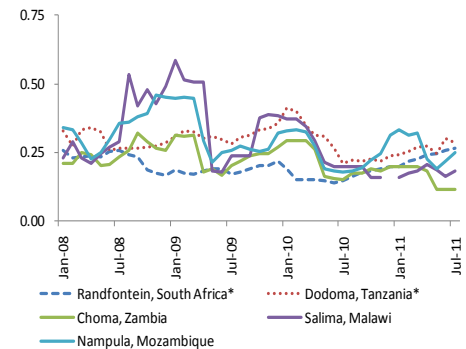


Figure 10: Prices of beans in USD per kg in Southern Africa, 2008-11

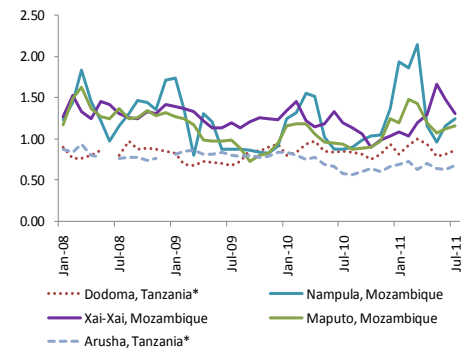
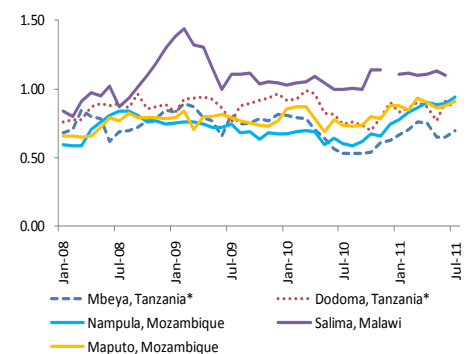


Figure 11: Prices of rice in USD per kg in Southern Africa, 2008-11



*Wholesale prices. All others are retail.

Source: SAFEX, Ministry of Agriculture of Mozambique, Central Statistics Office of Zambia, MITM, FEWS NET

Outlook. Staple food supplies on local markets as well as household stocks will remain adequate through early 2011. Food commodity prices in surplus areas are expected to remain stable and generally below last year's levels. In addition, staple foods will continue to move from surplus to deficit areas through the actions of private traders and government marketing agencies. **These factors will contribute to sustaining the current stable price trends until the onset of the lean season (between October and November) when demand in markets is expected to increase more rapidly due to the depletion of household stocks.**

In Mozambique, prices are expected to follow normal seasonal trends through the rest of the year countrywide. In Zambia, maize prices will most likely remain stable much longer than in a typical year. In Zimbabwe, rice prices are expected to follow seasonal trends, given the generally better harvests this season. Nonetheless, as the lean season approaches, and on-farm stocks diminish, price increases may occur, when households turn to markets for most of their food requirements. These spikes could be significant if markets have to be supplied through imports and import duties on basic foodstuffs are reinstated.

WEST AFRICA

Current situation. As the peak of the lean season draws near in the Sudanian and Sahelian zones, the availability of staple foods on markets remains adequate, and prices continue to follow seasonal trends.

Adequate stocks of cereals and cowpea have been a key factor for the stability of markets. However, in the Guinean and Sudanian zones, a delayed start of the growing season has led to a weakening of the maize supply.

In Nigeria, the early harvests of maize, yams and other food crops along with the sale of cereal and cowpea stocks by producers and traders have kept food prices stable. Prices even declined in some cases, as in Kano, in northern Nigeria. In general, prices for maize, millet, and sorghum in July 2011 were about the same as prices in July 2010 or slightly lower, except in some markets in the north-central region where maize prices have increased. In Benin, in contrast, prices are moderately higher than last year.

In Niger, producers and traders have supplied markets normally, and cereal prices have been relatively stable. In July, millet and sorghum prices were generally comparable to prices last year, and they were even significantly lower in some markets. Maize prices are about the same as last year.

In Chad, flows of cereals from the south to the north resumed following the relaxation of a price control measure in April. These renewed flows led to a fall in prices for millet and sorghum in the urban centers in the Sahel.

The return of trade flows from Libya also eased the pressure on staple food prices. In N'Djamena, prices for local millet, maize, sorghum, and rice, were up between June and July, but they were down five percent from a year ago, on average. The price of millet was two percent below the five-year average. In the south, however, the supply has seemingly weakened—prices are relatively high in Sarh, most likely due to the delayed start of the rainy season and uncertain crop prospects that made producers and traders hold on to their stocks. Strong import demand in Sudan is also putting upward pressure on prices in western Chad.

In both Niger and Chad, food assistance provided by the governments has lessened the price increases typically associated with the lean season. In Chad, since the lifting of the livestock export ban and the recovery of cereal markets, prices for

Figure 12: Prices of millet in USD per kg in West Africa, 2008-11

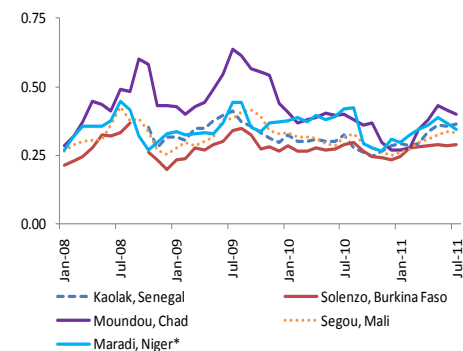


Figure 13: Prices of maize in USD per kg in surplus markets in West Africa, 2008-11

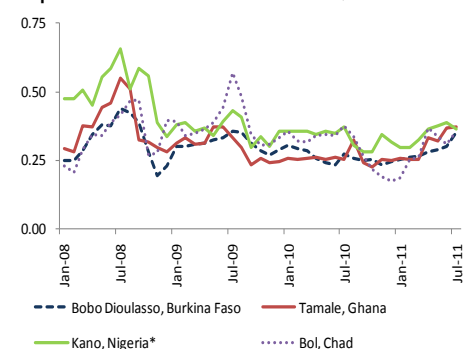
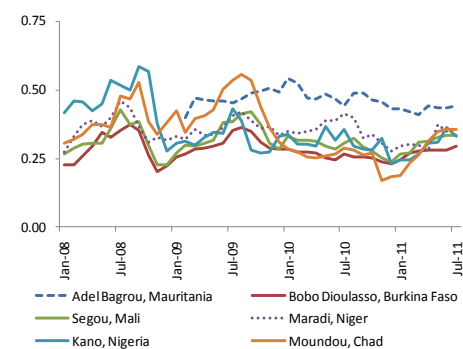


Figure 14: Sorghum prices in USD per kg in West Africa, 2008-11



*Wholesale prices. All others are retail.

Sources: Ministries of Agriculture, Systeme d'information sur les marchés agricoles (SIMA), Observatoire du Marché Agricole (OMA), FEWS NET

small livestock have increased and cereals-livestock terms of trade have become more favorable. In northern Nigeria, livestock prices are low compared to last year due to poor pasture conditions and water scarcity.

In the central and western trade basins, staple food prices have generally been stable. In Burkina Faso, cereal stocks are adequate with the exception of the agro-pastoral zones in the north, and millet and sorghum prices have been relatively stable. These prices are lower than last year. Maize prices moderately increased between June and July, by 6, 9, and 18 percent, respectively, in Ouagadougou, Pouytenga, and Bobo Dioulasso. In Ghana too, maize prices have increased, despite the arrival of the new crop on the market.

In Mali, due to insufficient rainfall in June and July and the resulting delay in planting in the western and southeastern parts of the country, producers and traders are holding stocks of maize, millet, and sorghum. Prices for these local cereals were stable or slightly increased between June and July, with sales from cereal banks helping limit seasonal price increases. They remain lower than last year in general with some exceptions for maize and sorghum. Rice prices are higher than last year, but markets are still well supplied with rice owing in part to special imports recently authorized by the government. Livestock prices are rising again with an improvement in body conditions and a robust demand during the Ramadan.

In Mauritania, staple food prices have been relatively stable. Sorghum prices are low compared to last year, but wheat prices have been high since the hike in international prices. In Senegal, millet and rice prices were stable between June and July. The prices for these staple foods are about the same as last year. The supply of local rice from the second season is still present in the markets of the Senegal River valley and the region of Louga and Thiès, near Dakar, helping to maintain stable prices. **In Conakry, Guinea, the price of rice has continued to increase. As of July, it reached a level roughly double of that from a year ago.** This price increase occurred despite a ban on exports and a government initiative to import rice. These policies actually had the unintended effect of deterring private traders from importing the commodity, which resulted in further price increase. The price of rice in Liberia also increased due to cross-border flows to Guinea.

Outlook. In the areas of the Guinean and Sudanian zones where production prospects are good, the harvests of maize and other food crops, including cowpea, groundnut, and vegetables will alleviate the pressure on grain prices in August and September. In Nigeria, prices will begin to fall in September when the arrival on markets of the maize, yams, cowpea, and vegetables harvests intensifies. In Burkina Faso, owing to the normalization of the growing season and good producer and trader stocks in the western part of the country, the seasonal increase in prices will still be subdued. In Mali, the return of normal precipitation in late July and early August should bring prices in line with seasonal trends. In addition, rice production, which is supported by the government and international donors, could be above normal, with a potentially favorable effect on prices. In areas where the new crops arrive later, stocks are depleted, and/or the growing season started late (Benin, Ghana, Mali, Senegal, and Chad), price rises can still be expected. In these areas, poor households will have to rely on the usual coping strategies (casual labor, wood sales, collect of wild seeds and fruits, and reduced consumption). **If normal trade flows prevails, stocks on the wholesale markets of the Guinean and Sudanian zones should be adequate to supply deficit areas in the Sahel.** In addition, livestock prices should evolve favorably with the improvement in pasture conditions and the strengthening of the demand towards the end of the year.

Figure 15: Prices of rice in USD per kg in coastal West African, 2008-11

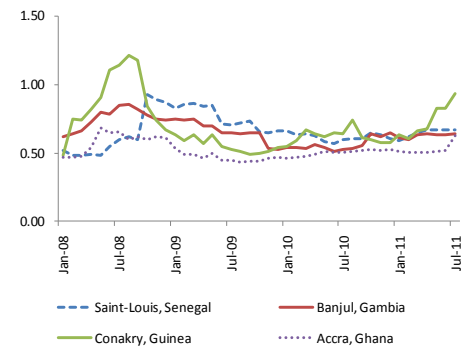
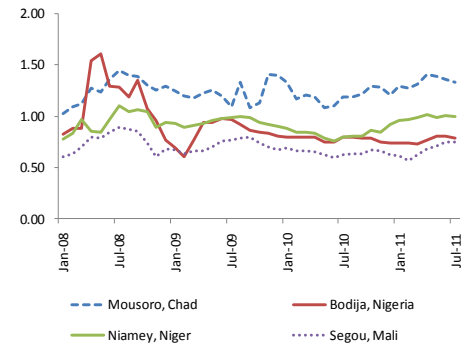


Figure 16: Prices of rice in USD per kg in Sahelian West Africa, 2008-11



Sources: FEWS NET, WFP, OMA, SIMA, Ministries of Agriculture

CENTRAL ASIA

Current situation. Following the recent completion of the spring harvest in both Afghanistan and Tajikistan, wheat prices were relatively stable from June to July with slight increases in selected markets. At the regional level, a good harvest in Kazakhstan is expected, while the lifting of the Russian wheat export ban has also put downward pressure on wheat prices. Nevertheless, while prices are stable, they remain considerably higher than at this time last year.

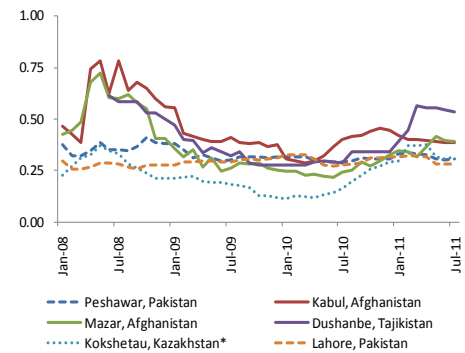
In Afghanistan, wheat prices have been relatively stable in most reference markets with some exceptions. Notable exceptions are Kandahar and Jalalabad, where wheat prices were up 19 and six percent, respectively, between June and July. The price increases in these locations can be partly attributed to the recent appreciation of the Pakistani rupee. The period of Ramadan has also put upward pressure on prices. In Mazar, in the north of the country, prices have been flat. This could be in partial response to the

elimination of the Russian ban on wheat exports which would have resulted in greater availability of imported wheat in this region of the country. **In an effort to lower wheat flour prices, the Afghan government recently reduced the tariff on imported wheat flour from 10 to five percent.** As the tariff on wheat flour imports was already relatively low, the impact of this policy may be somewhat limited. It is not clear how long this policy will stay in effect. Rice prices were up in Kabul and Maimana but they were down or stable in the rest of the country. Cooking oil prices have exhibited increases ranging from 1 to 16 percent in July with the exception of Herat where the price of cooking oil was slightly lower than in June.

In Tajikistan, wheat prices were flat between June and July, remaining considerably higher than at this time last year, in spite of the recent harvest. Maize prices in Dushanbe registered a 32 percent increase over June. This apparently resulted from a poor maize harvest. **In contrast, the increase in the supply of potatoes from the harvest had prices down 24, 23, and 27 percent in Garm, Khujand, and Dushanbe, respectively.** Concerning fuel, in Dushanbe, the price of petrol was up 4.4 percent month-on-month, while diesel fuel was down slightly, showing a 3.6 percent decrease. Petrol and diesel prices were up moderately in the rest of the country. Countrywide, fuel prices are approximately 40 percent higher than last year.

Outlook. In the coming months, there will still be upward pressure on the prices of staple foods. In the North, stockpiling to prepare for the winter will start in October or November. However, at the regional level, the outlook for wheat production and availability is quite good. Kazakhstan's upcoming fall harvest is predicted to be normal or better than normal. The lifting of the Russian wheat export ban has limited Pakistani exports to international markets, thus leaving Pakistan with more quantities to export to Afghanistan, which should also put downward pressure on wheat flour prices in eastern, southern, and central Afghanistan.

Figure 17: Wheat prices in USD per kg in Central Asia, 2008-11



*Wholesale price. All other prices are retail.

Sources: WFP, KazAgroMarketing

CENTRAL AMERICA and CARIBBEAN

Current situation. With the onset of the *primera* harvest in Central America in July, staple food prices in the region have been relatively stable over the past month. White maize prices were stable in El Salvador and Nicaragua but were up between five and ten percent in Guatemala and Honduras between June and July. **White maize prices in all countries are up considerably since the start of the year.**

In Guatemala City, the price of white maize increased by 12 percent from June to July. It is up 66 percent from the price in December. The price of black beans in the capital city was unchanged in July. Prices in the rest of the country were relatively stable as well, largely due to adequate stocks from the previous harvest in the region of Petén in the north and to trade flows from Mexico.

In Honduras, red bean prices slightly increased over the period June – July. They are considerable higher than at this time last year. Maize prices have continued to increase. In the capital, Tegucigalpa, maize prices were up five percent in July, and they were over 50 percent above prices at the start of the year. These price changes generally reflect trends countrywide.

In El Salvador, maize prices countrywide leveled off in July following a steep increase since the start of the year. In San Salvador, red bean prices were down two to three percent. The imports of beans supported by the government may have been a contributing factor to this easing in prices.

In Nicaragua, the prospects for the *primera* white maize harvest, the main harvest for this crop, are good. Wholesale white maize prices were down slightly as a consequence, while retail prices remained stable. The price of red beans remained stable in July.

In Haiti, the spring harvest is improving the availability of local staple food products, especially breadfruit, beans, maize, roots, and tubers. With the exception of Jérémie, the price of beans has dropped in all markets. **Prices for imported wheat flour, sugar, and vegetable oil have stabilized at a higher level than last year.** The price of imported rice has declined over the first half of 2011, with a 15-percent decline between May and July, from 156 HTG/6 lb to 133 HTG/6 lb, but it remains higher than a year ago.

Outlook. In Central America, maize and bean prices are likely to stay well above last year in the coming months, especially if international food prices remain high. The prospects for the *primera* harvest are normal to above normal and the harvest has gone well in all countries in the first half of August. As this is the most important harvest for maize, it may bring about a decline in maize prices in the coming months. The *postrera* crops, which will be harvested in October and November, are currently being sown in many areas. This harvest is important for beans and it could result in a decline in bean prices towards the end of the year.

In Haiti, staple food prices should remain stable or could decline further as the prospects for the harvest are generally good. However, the recent depreciation of the local currency may impart upward pressure on the prices of imported staple foods. In addition, tropical storms and hurricanes during the upcoming hurricane season—announced as more active than normal—could disrupt the normal functioning of markets.

Figure 18: Retail imported rice prices in USD per kg in Haiti, 2008-I I

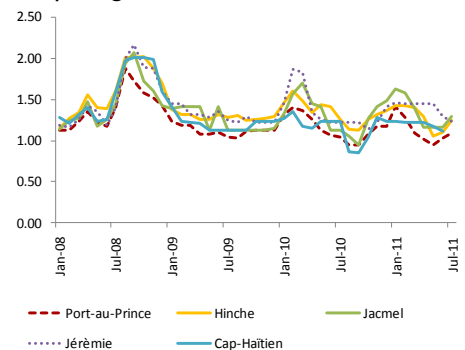


Figure 19: Retail white maize prices in USD per kg in Central America, 2008-I I

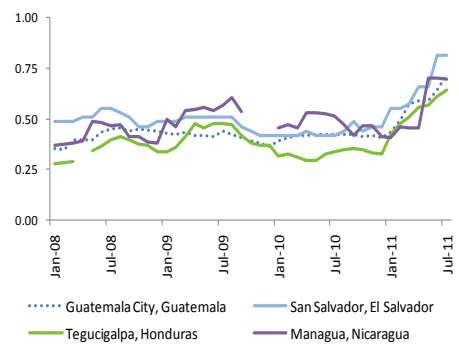
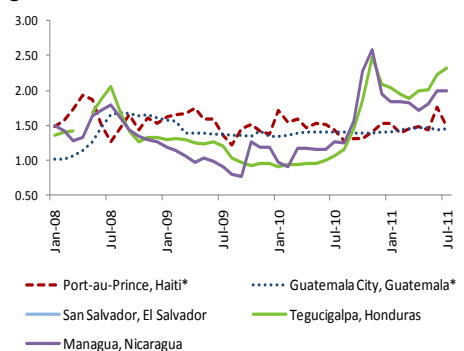


Figure 20: Retail bean prices in USD per kg in Central America and Haiti, 2008-I I



* Black bean prices. All others are for red beans.

Sources: Coordination Nationale de la Sécurité Alimentaire (CNSA), FEWS NET, DGEA, MAL, Ministry of Agriculture, Livestock and Food of Guatemala, Sistema de Información de Mercados Productos Agrícolas de Honduras (SIMPAH)