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FOOD SECURITY SNAPSHOT

- Cereal production increased by 4 percent in 2009
- Inflation declined significantly in 2009 thanks to improved food supply
- Marketing of cashew, the main source of cash income for rural households, has improved

Favourable weather conditions benefited crops in 2009

Seasonably dry conditions prevail. Planting of the 2010 cereal crops is scheduled to start in June with the onset of the rains. Aggregate 2009 cereal production was estimated at a record 207 410 tonnes, an increase of about 4 percent over the previous year's average crop.

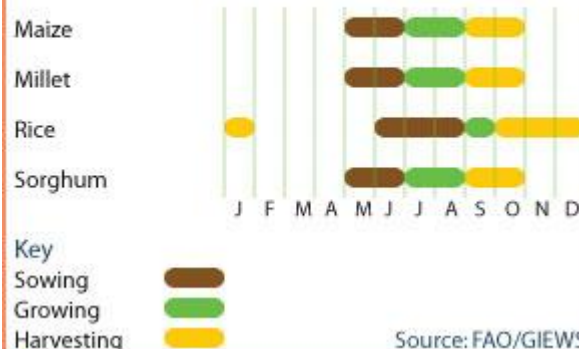
Low inflation in response to more plentiful food supplies

Guinea-Bissau was seriously affected by the rise in world cereals prices due to its high dependence on rice imports. Inflation increased more than two-fold between 2007 and 2008 to 10.4 percent. In 2009, as a result of the good harvests both in Guinea-Bissau and its neighbours and the decline in international market prices, inflation fell sharply, contracting by an estimated 8.2 percent according to the Economist Intelligence Unit. Food prices are anticipated to remain relatively low during most of 2010, reflecting last year good crop in both Guinea-Bissau and neighbouring Senegal.

Cashew nut marketing improved in 2009

The impact of soaring food prices on vulnerable rural populations was exacerbated by the marketing problems that the cashew nut sector has had to address since 2006. Cashew nut incomes normally permit farmers to supplement their food crop production by purchasing imported rice. After several years of interventions with negative effects on prices and incomes, marketing was better managed in 2009, leading to a considerable increase in export volumes according to official sources. The combination of low inflation and better cashew marketing has significantly improved the food situation in the country.

Crop calendar Guinea-Bissau

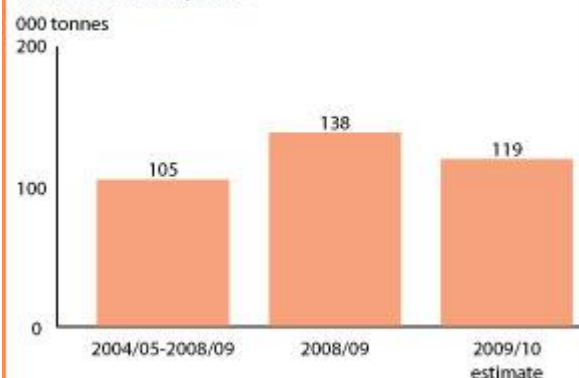


Guinea-Bissau Cereal production

	2004-2008 average	2008	2009 estimate	change 2009/2008
	000 tonnes		percent	
Rice (paddy)	116	154	154	0
Millet	36	23	26	13
Maize	27	10	10	0
Others	21	14	17	21
Total	200	200	207	4

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Guinea-Bissau Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets