



The United States Agency for International Development

Food Crisis in Central America: USAID Response and Strategic Approach

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Over the past year, with hunger as the main concern, the distribution of most emergency food aid in Central America was through food-for-work projects aimed at improving long-term food security and rehabilitating community infrastructure; however, where warranted, mother-child feeding programs used free rations to target malnutrition in children under five. In addition to emergency and non-emergency food aid, the U.S. Government (USG) supported programs that provided seeds and other agricultural inputs to farmers in the affected regions. It continued to target food aid resources throughout the year, as poor households required help to cope with the effect of drought and loss of employment in the coffee sector.

USG support was extremely responsive to affected families after the 2001-2002 crop season. USAID collaborated actively with U.S. private voluntary organizations (PVOs) responsible for distributing PL480 Title II development food aid to transfer in-country Title II commodities to drought emergency zones. The USG was also the primary contributor of commodities to the World Food Program (WFP) to assist drought-affected farmers and unemployed coffee plantation workers in the region. Between September 2001 and August 2002, the USG had contributed over \$22 million to short-term emergency drought relief, which helped deal with localized food shortfalls, treatment of malnutrition problems stemming from the drought and the coffee crisis, and preparations for the next planting season. USAID and its PVO partners have worked in close cooperation with the WFP, UNICEF, and local governments to coordinate all emergency operations. These efforts were essential in helping national governments mobilize other donor resources and come to grips with the crisis in their own countries.

INDIVIDUAL COUNTRY REPORTS:

NICARAGUA:

Rural Crisis Assistance: In October 2001, a Rapid Survey was done with USAID Partners to assess the nutritional status of children in communities most affected by the economic collapse of coffee plantations. USAID found high levels of chronic malnutrition (up to 43 percent) of children 6 to

59 months of age. The Mission is implementing a \$2.5 million emergency food for work program providing employment for 13,000 heads of households benefiting 80,000 people in coffee growing areas to help alleviate the coffee crisis for a six-month period (June - November 2002). USAID has closely coordinated with the WFP, and the Government of Nicaragua (GON) Rural Development Institute to avoid overlapping assistance. This joint effort is providing food and cash for work aid for about 22,700 families out of 35,000 unemployed families.

Another field assessment was conducted on the food security situation in coffee and drought affected areas in early September 2002. USAID's Office for Foreign Disaster Assistance (OFDA) and Mission personnel conducted the assessment in the departments of Matagalpa, Jinotega, Chinandega and Nueva Segovia¹. The team members concluded that this is not a hunger emergency. The OFDA team found traditionally high levels of chronic malnutrition but very low rates of acute malnutrition. The Nicaraguan Ministry of Health, with support from the donor community, also recently conducted an assessment of families of unemployed coffee workers and found that 45.3 percent of the children under five suffer chronic malnutrition.

Currently there are two populations that are affected by food insecurity: 1) *Coffee Area Families* - 35,000 families (210,000 people) of landless coffee workers. Most of these families are being reached by various food-for-work or cash-for-work programs with about a quarter of heads of household finding work; and 2) *Drought Affected Area Families* - 2,000 families (12,000 people) in the Jinotega and Chinandega area (these people are not getting attention nor as much donor help).

In the drought affected areas, farmers have lost approximately 67% of the first crop harvest, and a further 25% was seriously stressed, greatly lowering yields; the overall area cultivated was also decreased by 50% from recent averages. The effects are particularly evident in traditionally isolated and localized drier areas of northwest and north central Nicaragua. USAID estimates that food reserves in many households will run out several months prior to the next crop harvest, and the shortage will be most pronounced in September through December of this year. Household incomes have suffered threefold from a combination of lower seasonal employment, insufficient rainfall, and smaller harvests that will hinder their capability to procure food, despite excellent basic grain harvests in other regions of the country. Moreover, many subsistence farmers in the drought prone areas lack resources to purchase production inputs, such as seed materials and fertilizers, for the coming season (September). Exacerbating the problem, a Pine Bark Beetle infestation completely destroyed pine plantations and ecosystems in several northern communities of Nicaragua (among others Macuelizo, Mozonte, and Santa María).

Even though OFDA and Mission staff cannot currently term the situation in Nicaragua an emergency, the Mission believes that ending USAID and WFP activities in November 2002 in the coffee and drought areas would lead to serious social and political problems aggravated by very high levels of chronic malnutrition. To address this situation, USAID will extend the current integrated interventions of food assistance with child survival efforts targeted at some of the most severely affected families in the coffee and drought areas. Combined with a broad scale up of nutritional surveillance and counseling interventions at the household level, this will ensure better and more effective use of food resources and reduce chronic malnutrition among children through to the next harvest.

USAID is also developing a rural diversification alliance in partnership with the Inter-American Development Bank, Taiwan, the GON, NGOs, and the private sector to build rural infrastructure, promote employment, and create market links for rural economic activities. USAID anticipates that its funding will leverage from four to five times its investment in support from other partners. A key component will focus on market access for the rural poor, increasing both production and quality of products and services linked to clearly identified markets. This alliance will greatly strengthen rural economic infrastructure and generate as many as 35,000 new jobs.

HONDURAS:

Rural Crisis Assistance: USG has provided \$2.3 million in emergency assistance to Honduras during 2001 and 2002. This amount includes food aid as well as emergency relief commodities, and

seeds. In FY 2002, the regular Title II food program is \$5.1 million, with development assistance at \$29.5 million. In addition to these resources, USDA has scheduled \$2.6 million in food assistance under its Food for Progress program. Starting in FY03, USAID's program through CARE will increase the amount of commodities and increase coverage.

Early summer 2002 brought ample rains to much of Honduras, but late summer has been relatively dry. The estimate is that 2002 will show a deficit in all major grains and beans. It is difficult to obtain verifiable statistics, and national level figures can mask even more serious difficulties at the local level. Crop losses in the southern region of Honduras during the first planting cycle of 2002 may be as high as 90%. Over 10,000 families in southern Honduras have totally lost their crops and consumed their family reserves, and are currently experiencing a critical situation of food insecurity.

As a result of the coffee crisis, some 200,000 part-time and another 200,000 full-time have lost significant income through fewer jobs and lower wages. Many of these "jornaleros" are from the drought region. Lack of resources in the family granary or in the form of cash will lead to lower household food availability, which will have a hard impact on children under five years of age. Availability of seeds for sowing the first crop is another problem.

In Spring 2002, the Government of Honduras (GOH) created the COMUS, or Multi-sectoral Drought Committee, (composed of government, NGOs, and donor institutions, such as the Food and Agriculture Organization [FAO], USAID, WFP), which has been monitoring hunger-related issues. The COMUS focuses efforts on 30 vulnerable, southeastern municipalities with a population of 320,000, and promotes crop diversification and reforestation. The GOH plan aims to assure short-term access to food, for example, with grains purchased in other Central American countries and through donations. Over the medium term, it wants to develop productive infrastructure for management of water, soil, and forest resources. In addition to encouraging food for work activities, the GOH would like to establish reserves of corn and seed for planting. The WFP began a food for work program in the 30 municipalities, in conjunction with NGOs and various government agencies. The WFP prepared a new regional Protracted Relief and Recovery Operation to request over 37,000 MT of food for Honduras over 2003-2005, in addition to its regular efforts for addressing food security, natural resource management, and education. The FAO is developing a regional drought mitigation plan and supporting some specific sustainable agriculture projects.

USAID is developing longer-term initiatives to improve the response of agricultural producers to climate change and to improve food availability throughout the year. This effort includes new varieties and practices for higher yields, irrigation techniques, and planning planting cycles to fit better with product demand and ensure year-round crop availability. Better water resources management will be another component of the effort. USAID is working closely with farmers on crop diversification into non-traditional agricultural products, and the possibilities for exports as a longer-term strategy to alleviate the problem of rural poverty. USAID efforts also target coffee producers and processors to improve coffee quality and to enhance export possibilities. The Opportunity Alliance will be important to achieving this ambitious program.

EL SALVADOR:

Rural Crisis Assistance: The rains during the months of August and September were considered to be normal. The Ministry of Agriculture estimates that the current basic-grain crop will be 13% above last year's. Therefore, at least at the national level, no major food shortages are expected. The World Food Program (WFP) indicates that there is no estimation of the number of families, located in the east, that were affected by the June-July droughts and who may still need food assistance. On the other hand, an estimated 30,000 families located in coffee producing areas in the western part of the country are considered to be food insecure. In one such municipality in the Department of Ahuachapan, 49 children have died during 2002 with symptoms of moderate to severe malnutrition. WFP believes that there is currently food available for only 10,000 families.

The Salvadoran coffee industry continues to be in crisis mode. Last year's (2001/2002) crop of 1.7 million 60 kilogram bags was similar to the 2000/2001 crop, which happened to be the second lowest in 30 years, constituting a 37% reduction from the year before (1999/2000). The country's

coffee research and extension agency, PROCAFE, estimates a similar level of production (roughly the same as 2001/2002) for the 2002/2003 crop. Export revenues from this year's harvest as of August 16, 2002, are \$87 million versus \$118 million for the same period last year, some 26% lower. The Salvadoran Coffee Council estimates that total export revenues for the 2001/2002 coffee year will be \$100 million, one third of what it was during the 1990s.

President Flores recently announced an \$85 million plan (reprogramming and reorienting current resources and investments) to assist those jobless workers in coffee areas through the construction of social and productive infrastructure. The *Manos a la Obra* program is being implemented by the Social Investment Fund for Local Development (FISDL) and expects to provide jobs to 23,000 families in 69 municipalities. Also the GOES is making \$100 million available to producers, based on a Taiwanese loan, for agricultural diversification purposes. A financial scheme was also facilitated by the Government to assist those coffee farmers who could not make first payment of the loan to restructure old debts. For the 2002/2003 harvest, a credit line will be made available from private banks for the upcoming crop for farmers who are current with debt payments.

USAID/EI Salvador has activities to promote non-traditional crops, such as sweet peppers, sesame, organic coffee, and cashews, for which verifiable demand exists in domestic or overseas markets. The program has provided help in marketing, training in improved practices, and technical assistance in farm management techniques to nearly 20,000 small producers and used demonstration farms to extend to neighboring areas. A new activity is working with farmers in the fruit and vegetable sectors, for both local markets and exports, in those geographic areas affected by the earthquakes. The Opportunity Alliance may assist in expanding these efforts.

GUATEMALA:

Rural Crisis Assistance: As of early September 2002, official corn estimates from the Guatemalan Ministry of Agriculture increased 9% over last year, with some losses recorded in five departments. In spite of favorable rains in most of the country, there was once again major corn crop loss (ranging between 45 and 90 percent) in the Camotan/Jocotan area of Chiquimula. A USAID team visited the area and reported that nutrition rehabilitation and community outreach programs supported by USAID, WFP, and NGOs have brought the number of acute malnutrition cases down to less than a third of last year's level. Nevertheless, USAID is monitoring the situation closely, as crop loss and lack of seasonal employment opportunities leave the area extremely vulnerable. Elsewhere in the country, USAID's income generating projects in combination with food for work have provided the basis to sustain families until the November harvest.

As for the emergency effort following the 2001 harvest, the Government of Guatemala (GOG) continues to combat localized increases of acute child malnutrition, stimulated by the overlapping and exacerbating effects of last year's drought and drastically reduced employment in the coffee sector. The USAID emergency Title II program is working in 21 of the most severely affected municipalities to reach 2,649 of these children. Despite three or four municipal "hot spots" with high concentrations of wasted children, most of these children are widely dispersed in remote rural areas, seriously compounding efforts to identify and treat them.

USAID responded to this crisis with \$6.9 million in emergency rations, medical supplies, diarrhea and pneumonia treatment and immunization, nutrition education, and vaccinations for those children most at risk in rural communities. This total includes \$3.6 million from USAID's child survival and development program in Guatemala, as well as an additional \$1.7 million in emergency food, medical and nutritional assistance programmed through Catholic Relief Services, CARE, SHARE, and Save the Children. USAID's \$1.6 million contribution to the United Nations World Food Program has provided emergency feeding for many affected rural villages. Other donors are also involved in this humanitarian effort. USAID's annual development effort in Guatemala, \$53 million in FY 2001 and \$56 million in FY 2002, heavily targets rural poverty and food security.

USAID's emergency response was aimed at municipalities with 5+% total acute malnutrition rates, low immunization rates, and high diarrhea rates, especially in the Central and Western Highlands. USAID and its partner organizations supported emergency feeding with other closely related health

and nutrition programs, such as growth monitoring, community-based maternal and child health care, nutrition education, and vaccinations. The effort uses the Ministry of Health's early warning system to detect severely malnourished children and get them into nutritional recuperation units established for this purpose. USAID funds purchased local foods for twelve hospitals treating severely malnourished children and monitoring their progress carefully. It also supported activities to help reduce the underlying poverty which leads to the acute malnutrition, such as providing education scholarships in affected communities, developing projects for employment generation, and providing inputs to poor farmers.

High poverty rates, especially in rural areas, among the indigenous population, and in the Peace Zones have long been a focus of USAID. To revitalize the rural economy, USAID targeted food-for-work programs, such as road rehabilitation, reforestation, and municipal works, in the most affected communities. Other programs help farmers secure access to land, use sustainable agriculture practices, and increase productivity and sales. USAID efforts are also underway to raise Guatemalan competitiveness through business development services, including support for non-traditional agricultural exports and access to specialty coffee markets. The Opportunity Alliance will provide significant assistance in accelerating the change in Guatemalan agriculture. This effort aims to stimulate public and private partnerships, which will create opportunities for agricultural diversification and off-farm employment among Guatemala's poorest inhabitants. The first steps will be in improving the quality of existing coffee producers, developing value-added services and products, and helping those that cannot compete in the new market for coffee to diversify.

¹ It should be noted that OFDA assessed the areas receiving press attention and found that the situation with the people at the "plantones" (several hundred families involved in protests on the roadside in Matagalpa Department --- the source of many of the press reports on starvation) is based more on political issues than hunger issues.
