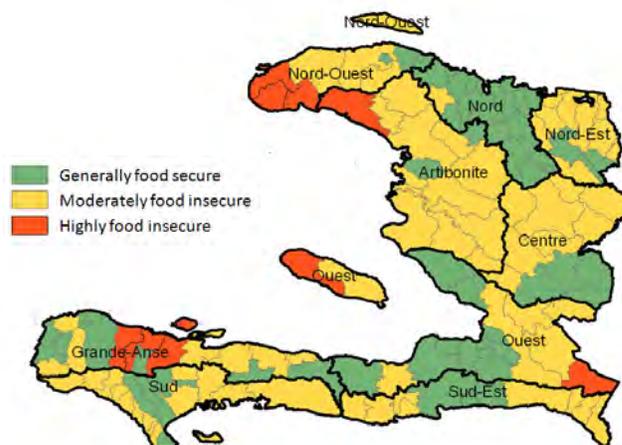


## HAITI Food Security Outlook N° 19: Food Security Update

July through December  
2008

- Despite a relatively good spring harvest in June-July, which was comparable to last year's harvest at the same time, food security conditions are still precarious. Prices for staple food crops (rice, corn, beans, and sorghum) remain high. High world market prices for oil and grain are preventing improvements in food security. In spite of recent harvests, some 2.3 million Haitians, particularly residents of relatively arid areas of the Northwest and Northeast, and of poor urban areas, are currently categorized as moderately to acutely food insecure. The Southern peninsula (including the Nippes, Grand'Anse, Southern and Southeastern regions), which is especially vulnerable to hurricanes, has also been classified as food insecure (Figure 1).

**Figure 1.** Current food security conditions, July through September 2008



Source: CNSA/FEWS NET Haiti

- In the most likely scenario for the period from October through December, food security conditions will continue to deteriorate due, not only to the high price of staple food crops, the hurricane threat, and continuing civil unrest, but also to high student transportation costs once the new school year begins in September. Transportation is a key component of education expenses, particularly in urban areas. In this scenario, some 2.5 million Haitians would be affected by food insecurity.
- The food security outlook through December of this year could be even more alarming in the event of especially negative developments in, and effects of, certain intervening factors (e.g., prices, hurricanes) The worst-case scenario would be characterized by an aggravation of these same determinants, and a further decline in migrant remittances due to a slowdown in the U.S. economy, resulting in even higher levels of food insecurity. In turn, this could trigger a new round of violent demonstrations against the high cost of living. About half the country's population, or some four million Haitians, could be affected by food insecurity problems in this scenario.

**Figure 2: Seasonal calendar and critical events**



Source: CNSA/FEWS NET Haiti

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The opinions expressed in this publication do not necessarily reflect the view of the organizations assisting the CNSA (European Union, FAO, WFP) and FEWS NET (USAID).

The following recommendations were formulated in the light of this analysis:

1. The new government should begin implementation of the “Food Security and Rural Development Program” announced at the Madrid meeting on July 15<sup>th</sup> of this year, particularly its food safety net component;
2. The government and corresponding donors should:
  - strengthen the response capabilities of the Civil Defense Department (DCP) attached to the Ministry of the Interior and Local Government and of other National Risk and Disaster Management System (SNGRD) stakeholders in anticipation of this year’s high-risk hurricane season (particularly in terms of logistics and human resources); and
  - ensure the systematic monitoring of efforts to implement various short and medium-term response plans and strengthen cross-sectoral program monitoring and coordination capabilities;
3. The international donor community should speed up disbursements of pledged funding in support of the various emergency response initiatives and medium and long-term development programs.

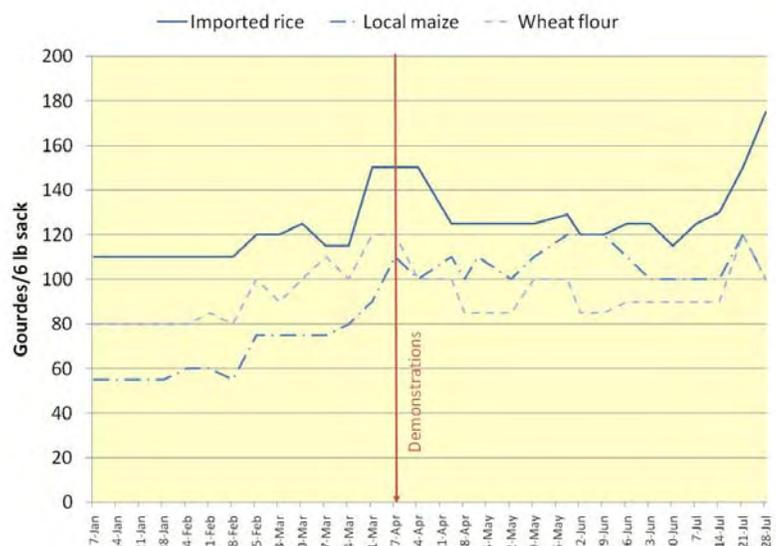
### Food security overview, July through September 2008

The food security outlook for July through September indicates a precarious food security situation. Interventions by the Haitian government, the donor community, U.N. agencies, and NGOs in the wake of violent street demonstrations in April of this year (protesting the high cost of living in general and the high prices of staple foods in particular) have contributed to slight improvements in food security conditions. In April, the government announced a six-month-long price subsidy designed to cut the cost of imported rice by approximately nine percent and effectively lowered government taxes on fuel to delay price increases at the pump. It also began phasing-in the first emergency sector plan crafted in conjunction with its international partners, which included food security response plans, revitalization of the agricultural sector, job creation and labor-intensive programs for residents of food-insecure areas.

Thus far, the spring harvest (corn, bean, and breadfruit crops), which runs from June through August, is more or less comparable to last year’s harvest during the same period. Though rural residents gain the most from the spring harvest, urban households also benefit to some extent, sending their children back home to the countryside during summer vacation and enjoying lower prices for local food crops in city marketplaces during the period just before and after the harvest. However, while harvests across the country are considered quite good, they have only slightly eased the effects of the ongoing food crisis. In fact, staple food prices remain very high compared with the same time last year and are starting to rise again (Figure 3). The price of imported rice (which is less expensive than locally grown rice and, thus, the food of choice for city dwellers) as of the end of July was approximately 14 percent higher than at the end of March (the beginning of the growing season) in Port au Prince. The price of rice has been running high since March, when it triggered last April’s violent demonstrations and political upheavals. Rice prices in Haiti are tied directly to world market prices.

In response to the soaring price of food, which is curtailing food access, Haitian households are implementing a variety of coping strategies including cutting back on the frequency or size of meals, disposing of productive assets (particularly through sales of small animals), coal production in rural areas and out-migration. Given the harmful short, medium and long-term effects of these strategies, and the likely escalation of food insecurity due to continued price increases, it is imperative to quickly provide food insecure households with outside assistance in the form of the

**Figure 3.** Recent trends in nominal retail prices for staple foodstuffs on the Croix-de-Bossales market in Port-au-Prince



Source: CNSA/FEWS NET Haiti

emergency interventions planned in the wake the past April demonstrations. Unfortunately, the government appears to have exhausted its capacity to subsidize rice and fuel without having succeeded in reversing the steady upward trend in prices. Shocks from the recent hike in the price of public transportation in July will be sorely felt once school begins early in September, and for the rest of the year.

The CNSA (Office of the National Food Security Coordinator) and FEWS NET estimate the size of the country's moderately to highly food-insecure population at approximately 2.3 million (200,000 less than before the beginning of the harvest season). This group is concentrated primarily in the relatively arid, poor farming areas of the Northwest and Northeast, and in low-income urban areas. Haiti's southern peninsula (including the Nippes, Grand'Anse, Southern and Southeastern regions), which is especially vulnerable to hurricanes, is another area at high-risk for food insecurity problems between July and September (Figure 1). According to the National Oceanographic and Atmospheric Administration (NOAA), there is a 65 percent probability that this year's hurricane season (June through November) will be more active than usual and only a 10 percent probability of it being less active than usual. The NOAA is predicting six to nine hurricanes (including two to five major hurricanes), compared with a so-called "normal" season of six hurricanes (including two major hurricanes). The most destructive hurricanes for crops are those coming late in the growing season, in or around October and November, when it is too late to replant crops. The ideal planting period is in August and September.

Government interventions (distributions of farm inputs at subsidized prices, price subsidies for imported rice), programs by USAID, NGOs and U.N. agencies (e.g., FAO, WFP) and budgetary aid from a number of donors (IDB, European Union, World Bank and the Spanish and Canadian cooperation agencies) are all part of an attempt to ease the current situation and mitigate shocks exacerbated by high unemployment rates. These interventions are slated to become an integral part of the so-called "Haitian Food Security and Rural Development Program" approved at the Madrid meeting on July 15<sup>th</sup> of this year, which aimed to identify and assimilate existing programs under one umbrella (e.g., response plans for food insecurity problems and spiking prices, the Presidential Initiative, the revitalization program for the agricultural sector, the job creation and assistance program for residents of at-risk areas, and the emergency intervention program against hunger and the high cost of living). Thus far, the effectiveness of these interventions has been limited. First, they are confined to extremely small geographic areas due to shortages of funding from the government and the donor community and, as a result, reach only a small percentage of the country's population. Second, they are designed mainly to meet urgent needs and are not expected to have any lasting impact. Finally, even if food security conditions should improve in rural areas, particularly after the first harvest (June through August), such an improvement will have limited impact on urban residents. The urban population is even more dependent markets than rural residents and, less than a month after the height of the spring harvest season, food prices have barely come down.

### **Most likely scenario, October through December 2008**

In the most likely scenario, the situation is expected to gradually deteriorate between September and December as a result of a number of factors, particularly expectations that prices for food and transportation will either hold steady at their current high levels or continue to rise (Table 1). Given that daily student transportation costs are an extremely important expenditure in urban areas, probably even more so than the cost of school supplies and tuition, high fuel prices will have a significant impact on urban residents. Stagnant incomes and high unemployment exacerbate the situation. Poor households lacking funds for back-to-school expenses are taking steps (e.g., cutting back on their food and health outlays) to gather enough resources to send their children to school later in the first quarter of the school year. Some children will not be able to start school until the second quarter, disrupting their academic progress and leading to increased drop-outs, perpetuating the cycle of poverty for at-risk households. By mid-September, the data emerging from a joint CNSA/WFP survey should provide more information on how households are coping with the high cost of living, particularly in the face of the increasingly unaffordable cost of education.

In this scenario, the CNSA and FEWS NET estimate that the size of the country's food-insecure population in the last quarter of this year will be around 2.5 million. As illustrated in Figure 4, Grande Anse, Nippes and the Southern and Southeastern departments, which lay in the traditional hurricane path, would be hardest hit, with crops, homes, and socioeconomic infrastructure at risk of suffering serious wind and flood damage. However, this season, losses in general, and physical damage in particular, are expected to be lighter than usual, thanks to disaster preparedness and mitigation efforts by the Civil Defense Department and its National Risk and Disaster Management System partners at the local community level (including improvements in the formulation of contingency plans, training, early warning systems and the repositioning of financial and logistics resources).

Table I. Most likely scenario, October through December 2008	
Variables	Major anticipated effects on food security
Rather good harvests for the spring growing season; pursuit of efforts to revitalize crop production	Market supplies of locally grown crops will fall off sharply after September.
Forecasts of intense hurricane activity (with a 65 percent probability of a more active than usual hurricane season)	The effects of expected hurricanes will be disastrous for fall crops and cause severe damage to agricultural infrastructure in spite of the Presidential Initiative to shore up this sector. Localized flooding is also expected.
Unfavorable overall macroeconomic framework (high inflation, budget deficit, balance of payments deficit), soaring world market prices for fuel; a backing off from fiscal measures designed to stabilize fuel prices at the pump; some slippage in the exchange rate	Rises in prices for food, transportation and basic services. Further deterioration in household income, particularly at the beginning of the school year when transportation costs eat up a large share of an already precarious inflow of income; possible social unrest
The new government improves implementation and monitoring of the response plan for food insecurity problems and the high cost of living.	Mounting of a series of isolated programs designed to temper the effects of food insecurity in different areas. However, any efforts mounted by the new government will have no real impact until next year.
Continued civil unrest	The failure to restore a climate of confidence will discourage private investment.

Source: CNSA/FEWS NET Haiti

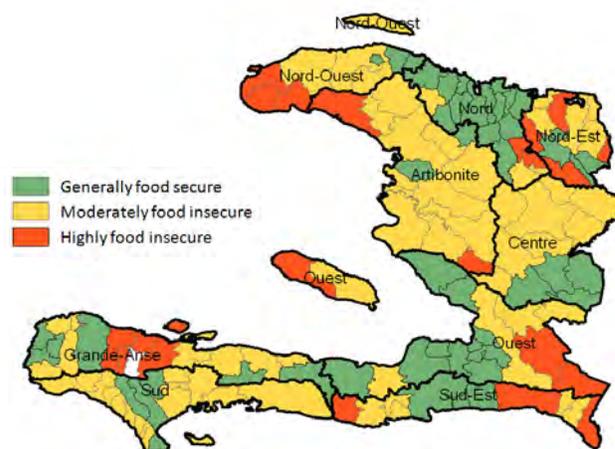
The food security situation in urban areas could deteriorate even further, with each hike in prices for staple commodities presenting a new risk of social upheaval. According to the Nutrition Director at the Ministry of Public Health and Population (MSP), who is troubled by the current situation, an escalation in current economic problems could affect the nutritional status of all segments of the population, but particularly that of high-risk groups (pregnant and breast-feeding women, children under five years of age and the elderly) between now and December.

While the formation of a new government should pave the way for the implementation of certain safety net programs, any major change in the socio-economic status of the country's population is highly unlikely in the short term (2008-2010), strongly indicating that emergency interventions and safety net programs must be paralleled by medium and long-term development programs.

**Worst-case scenario, October through December 2008**

In the worst-case scenario for the period from October through December 2008, high world market prices for fuel and grain and the exhaustion of the government's capacity to subsidize prices for fuel and rice could cause the cost of transportation and staple foods to skyrocket (Table 2). A sharper hike in food prices would seriously undermine the effectiveness of the response plan crafted back in April. The occurrence of devastating hurricanes could seriously affect crop production and cause major damage to the environment and massive numbers of human casualties. The hardest hit departments would be those on the country's Southern peninsula.

**Figure 4.** Assessment of the most likely food security scenario, October through December 2008



Source: CNSA/FEWS NET Haiti

**Table 2.** Worst-case scenario: major variables and anticipated effects for the period from July through December of 2008

Variables	Major anticipated effects on food security
High probability of an active hurricane season; higher incidence of flooding	Major damage to plantations, losses of crops due to flooding, protracted exposure of harvested crops to moisture. Flood damage to water engineering and health infrastructure (health centers and clinics) and human casualties
Rise in world market prices for fuel; limited government capacity to stabilize fuel prices at the pump or to hold prices for imported rice at their March 2008 levels; depreciation of the value of the gourde against the U.S. dollar	Rise in public transportation costs and price for local and imported foodstuffs; sharper rise in inflation; decline in household income and purchasing power; cutbacks in the quantity and quality of meals; exposure of all segments of the population to malnutrition problems, including groups not at risk
Delays in the framing and implementation of the response plan	Weakness and inadequacy of targeted programs
Slowdown in the U.S. economy	Losses of jobs by Haitian immigrants and decline in the volume of remittances to Haiti
Greater civil unrest	Demonstrations against the high cost of living as a result of rising fuel prices; slowdown in investments; very little job creation

Source: CNSA/FEWS NET Haiti

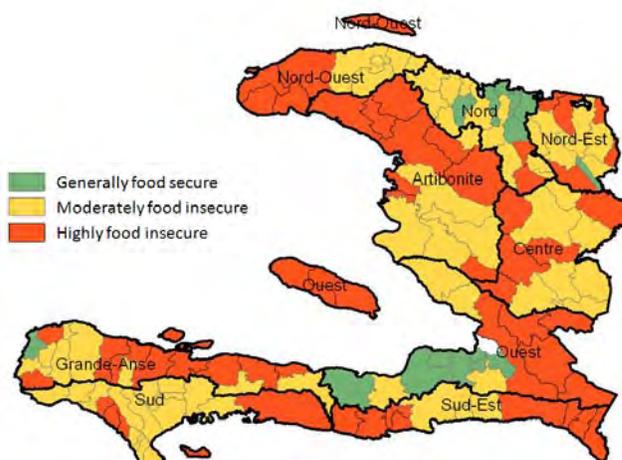
These effects will hit the country hard beginning in early September, with the start of the new school year. Even in the event of the formation of a new government by late July or thereabouts, it will not yet be in a position to address certain pressing problems, such as the high cost of living. In the worst-case scenario, a resurgence of social unrest in the form of demonstrations similar to those of this past April can be expected. The uncertainty and wait-and-see attitude of the private sector in the face of the currently unstable socio-political climate could close the door on private investment. The slowdown in the U.S. economy will reduce the flow of financial aid to Haitian households in the form of migrant remittances.

Thus, the worst-case scenario would have serious food security consequences. Nearly half the country’s population, or some four million Haitians, could face a food crisis, with possible short and medium-term negative effects on household livelihoods. In such a case, all departments would be moderately to highly food-insecure (Figure 5).

**Conclusion and recommendations**

According to recent economic studies, there is very little likelihood of an improvement in food security conditions in Haiti over the next six months. In sum, the food security outlook for the remainder of 2008, is drive by six determining factors, namely: (1) high world market prices for fuel and grain; (2) the gradual exhaustion of the government’s capacity to stabilize fuel prices at the pump and retail prices for rice in the face of soaring world market prices; (3) the threat of a more active than usual hurricane season; (4) the uncertainty of any improvement in the socio-political situation; (5) the slowdown in the U.S. economy; and (6) spiraling inflation at the country level. While forward-looking analyses offer no guarantees, they could help anticipate and mitigate expected risks and shocks. The following recommendations directed at the parties indicated below are designed to address these risks and shocks.

**Figure 5.** Assessment of the worst-case food security scenario, October through December 2008



Source: CNSA/FEWS NET Haiti

**Recommendations for the government:**

- Draw up an amended budget with provisions for safety net programs such as school meal programs, student transportation services, and subsidies for school supplies and tuition costs; and
- Implement the “Haitian Food Security and Rural Development Program” announced at the Madrid meeting of July 15<sup>th</sup> and, in particular, its food safety net component.

**Recommendations for the government and corresponding donors:**

- Strengthen the response capabilities of the Civil Defense Department (DPC) attached to the Ministry of the Interior and Local Government and of other National Risk and Disaster Management System (SNGRD) stakeholders for the current high-risk hurricane season;
- Increase the volume of decentralized emergency funding made available to the Civil Defense Department by the Ministry of the Interior and disseminate information on arrangements for the use of this funding for 2008 to avoid overlapping in the event of localized disasters;
- Step up monitoring activities in connection with the implementation of different short and medium-term response plans and strengthen cross-sectoral program monitoring and coordination capabilities, particularly within the Ministry of Planning and International Cooperation (MPCE) and the Office of the National Food Security Coordinator (CNSA) by furnishing this latter agency with adequate financial and professional resources.

**Recommendations for the international donor community:** Speed up disbursements of pledged funding in support of the different emergency response programs discussed above and of short and medium-term development programs.

This report was drawn up with the assistance of:

