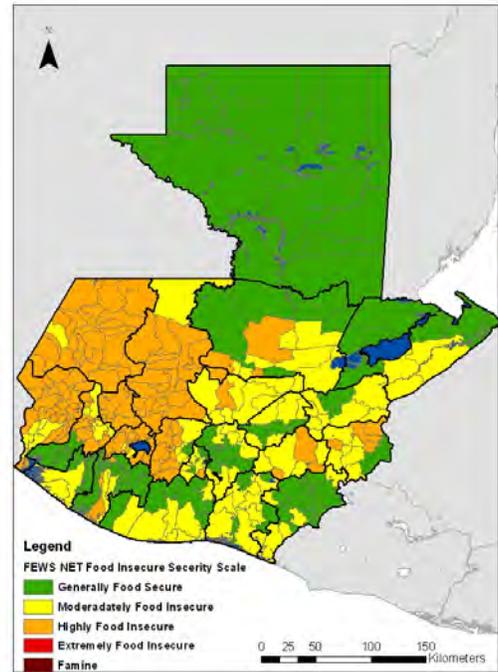


GUATEMALA Food Security Outlook

April to September 2009

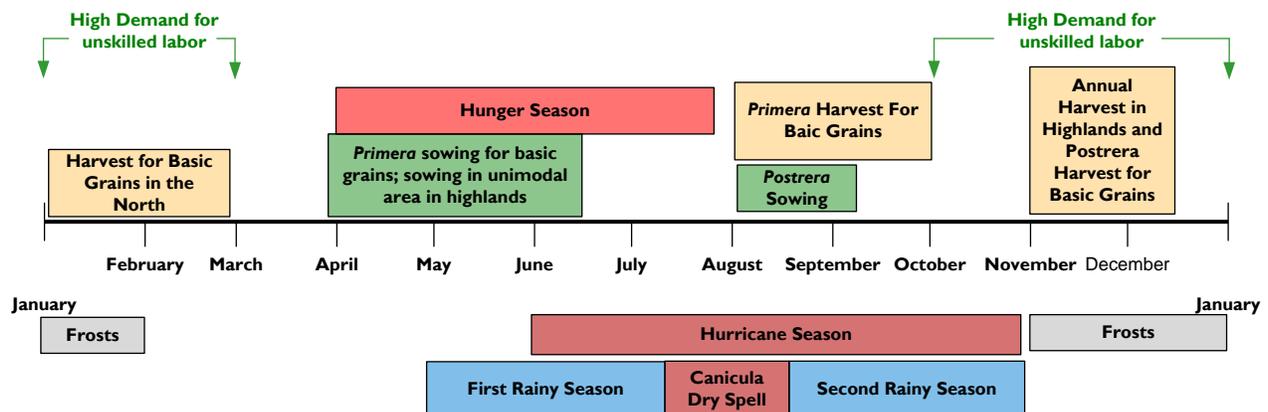
- Food security throughout the country is stable, although it could start to deteriorate in the next three months, due to the start of the annual hunger season. During this season, after finishing their reserves, the poorest households depend completely upon the purchase of food. The government is in the process of activating a contingency plan to alleviate the situation.
- The start of the rainy season, which marks the first (primera) harvest, is forecast for the second half of April until the end of May, depending on the area of the country. It could be irregular on the Pacific coastal plain and in the southwest.
- The climatic perspective for the second quarter (May-July) indicates accumulated rain levels above normal in the northern areas of the country. Rain well above normal may result in crop losses, and damage to health and infrastructure due to floods and landslides. Accumulated rain levels within the normal range are expected in the rest of the country. However, there is a 35 percent probability that the central area of the country will be below normal. If so, there might be a reduction in crop yields.
- In the next several months, the decline of remittances, due to the international economic crisis, could affect the food access of poor and extremely poor families.
- The high cost of fertilizers will make it difficult for poor and extremely poor households to access them. The government is making an effort to distribute fertilizer in May.

Figure I. Current estimated food security conditions, April 2009



For more information on the Scale of Severity of Food Insecurity, refer to: www.fews.net/FoodInsecurityScale
Source: MFEWS

Seasonal calendar and critical events



Source: FEWS NET

Current food security conditions

The food security situation in the country, although stable, is starting to deteriorate since the hunger season already began (March – August). Factors such as poor fertilization and damage caused by heavy rainfall, winds, and last year’s Tar spot disease have led to low crop yields in the recent harvests, with the consequent reduction in household reserves. Because of the risk that this situation represents for the food security of the poorest households, the government is taking the necessary steps to activate a contingency plan for the communities identified as having a high and very high risk of food insecurity. The plan will cover 140,000 families with the food basket, which contains maize, beans, grains, and vegetable

oils; and 30,000 families with the emergency food basket, given in the event of an emergency due to disasters, and which contains maize, beans, and soy flours. This is expected to improve food availability in at-risk households.

On the other hand, the cost of the basic food basket has remained stable during the early months of 2009, after a significant increase during 2008 (Figure 2). In March it increased 13.27 compared to March of last year. This situation makes food access for poor and extremely poor households more difficult, because at this time of year, they depend more on the purchase of food.

Figure 2. Cost of the basic food basket, 2008-2009

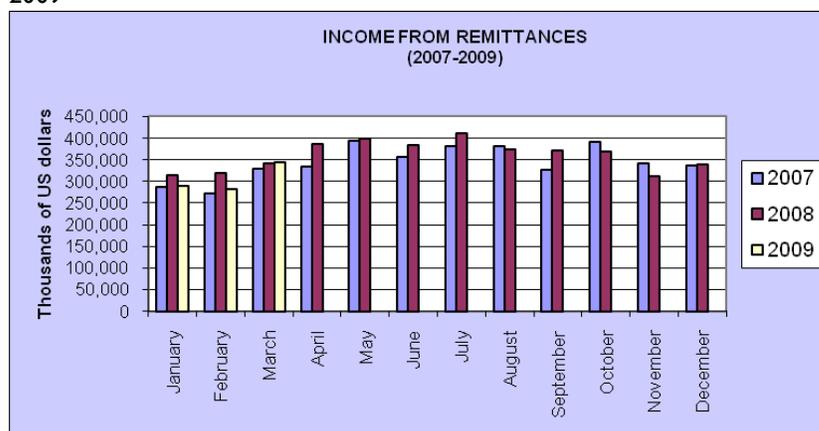


Source: INE

In the last several months, prices for maize and beans have remained stable. This is due to the continued arrival of the product from the second harvest in Petén and Jutiapa. For the particular case of beans, there is also product that comes from Mexico, which maintains the supply and stabilizes the price. Despite its stabilization, the prices for April are still high compared with the previous year: 14 percent in the case of maize and 21 percent in the case of beans.

Foreign currency income in March 2009, in the form of family remittances, has decreased 12 percent compared to March 2008, and 3 percent compared to January of this year (Figure 3). This may affect families that depend on this income for their food. The departments that receive the largest number of remittances are Huehuetenango, San Marcos, Quetzaltenango, and the Guatemala City area. With this reduction and the high prices of food, the poorest families will see their economic access to food affected.

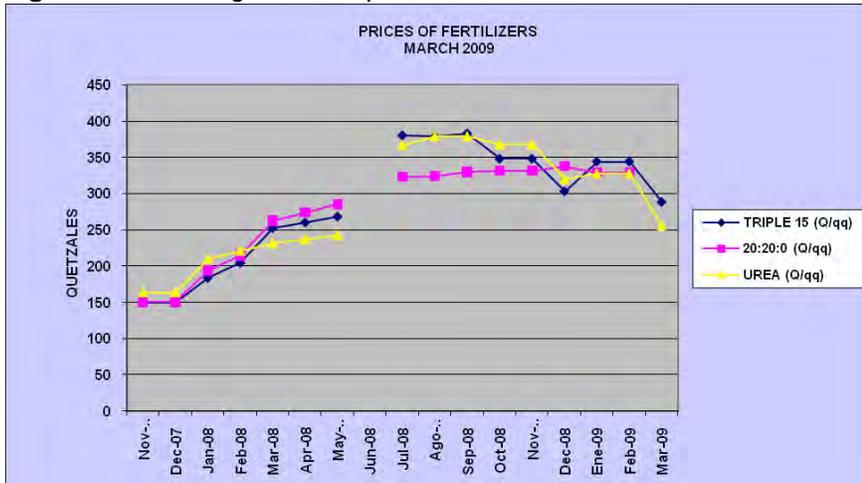
Figure 3. Foreign currency income in the form of family remittances, 2007-2009



Fuente: BANGUAT

Since September 2008, the price of fertilizers has started to decline. However, it is still high — 14 percent higher than in March 2008, and 123 percent higher than in March 2007 (Figure 4). These prices will make it difficult for poor and extremely poor households to buy fertilizers, which would lead to a reduction of staple cereal yields. This situation makes these households highly dependent on fertilizers subsidized by the government. The distribution of fertilizers is expected in May and June.

Figure 4. Prices of agricultural inputs



Source: UPIE/MAGA

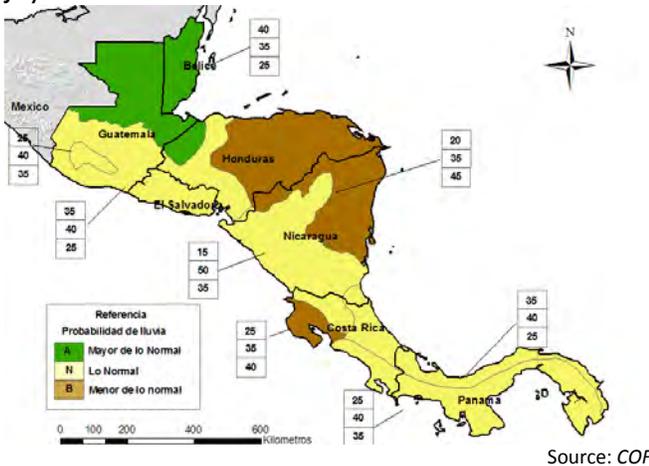
In November of last year, some areas in Petén, Ixcán, Alta Verapaz, and Huehuetenango reported losses due to Tropical Depression 16, and the yields of crops were slightly affected in some areas due to Tar spot disease (*Phyllachora maydis* and *Monographella maydis*). Nevertheless, food security in this region is expected to have improved with the second harvest. According to the Central American Climate Forum (COF, for its initials in Spanish), the rainy season in this area is expected to start May 20 - 30.

The rainy season in the southwestern region and the Pacific coastal plain is expected to start around April 20 – 30, although with irregular rainfall. It is important to inform the population about this possible irregularity so it can be taken into consideration when the planting begins. At the present time, food security in this region is stable.

Most likely scenario (April – September 2009)

In the most likely scenario for the next six months, and as the annual hunger season progresses, household food security is expected to deteriorate even more. The first crop production in the whole country is due between April and June. A second harvest will also occur in almost the whole country between August and September, with the exception of the western region, which has one annual harvest from April to November.

Figure 5. Climatic perspective for Central America, May-July 2009



Source: COF

Between April and May, the rainy season — which lasts from May to November — will start. The forecast is above normal in the northern part of the country, and within normal for the rest of the country. However, the central area shows a 35 percent probability of presenting accumulated rain levels below normal, although without presenting important deficits (Figure 5). If this actually takes place, it could affect the yields of crops in these areas, due to a humidity deficit.

The start of the hurricane season is also expected during the period of this forecast, from June to November. According to estimates from Colorado State University, it is expected to be at or below the 1950-2000 average.

According to analyses made by the Central American Climate Forum, normal conditions are expected in regards to the El Niño-Southern Oscillation (ENSO) phenomenon from May to July.

A slight advance in the dry spell is expected, beginning between June 25 and July 5. This will apply for the whole country. It is important to monitor the duration, because a prolonged dry spell of more than 15 days could result in crop losses in the first harvest.

On the other hand, a delay in the delivery of fertilizers could result in low crop yields in different areas. The government is currently making efforts to distribute these during May and June. The price of fertilizers is still high compared to previous years, making it difficult for subsistence farmers to purchase.

The decline of remittances due to the international economic crisis will affect incomes, a phenomenon that will influence household access to food over the next six months, especially the poorest households. This is critical during the annual hunger season. Close monitoring of this situation is necessary.

It is also important to monitor the employment situation in the contract manufacturing (*maquila*) industry in the central area. This sector has shown reductions in production and exports due to decreased demand in the United States, as a result of the latter's economic difficulties. Urban and peri-urban areas around Guatemala City would be most affected, because *maquila* work is an important livelihood there.

For this scenario, three areas of special interest were considered.

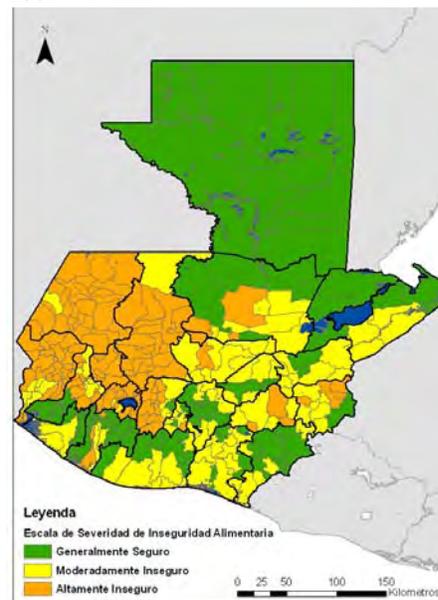
The North area includes: Petén, Ixcán, Alta Verapaz, and Huehuetenango.

We expect food security in this area to deteriorate in the next two to three months because of events typical of the season. High food prices in these areas may affect household consumption, especially in the poorest households, which acquire more than 50 of their food from purchases. According to the 2007 livelihoods study, this situation is even more critical in areas of Huehuetenango, where the poorest households depend on 80 percent of their food from purchases. Above-normal rainfall in this area can damage roads, leaving households without access to markets. These rains can also cause landslides and flooding, which can affect food security. In August, the first crop production in the Alta Verapaz and Petén areas will allow an improvement in the food security situation.

The South area includes the Pacific coastal plain. An irregular commencement of rains is expected in April. This could cause difficulties in crop germination, if farmers begin planting with the first rains. Therefore, it is important to make people aware of these irregularities. In addition, it is difficult for the poorest groups to obtain fertilizer since the market price exceeds Q.250.00 per quintal for several fertilizers. It is very likely that the poorest households will not apply adequate fertilizer, as the crops in these areas are planted first and the government fertilizer has not yet been distributed. In these areas, extremely poor people acquire more than 60 percent of the food from purchases, so high food prices may hinder their access during the hunger season. During the period of this forecast, there is demand for unskilled local agricultural labor for cleaning and planting in the sugar refineries, offering a choice of employment. The first crop production in August will enhance food availability for the poorest households. The rainfall in this area is expected to be normal or slightly above normal.

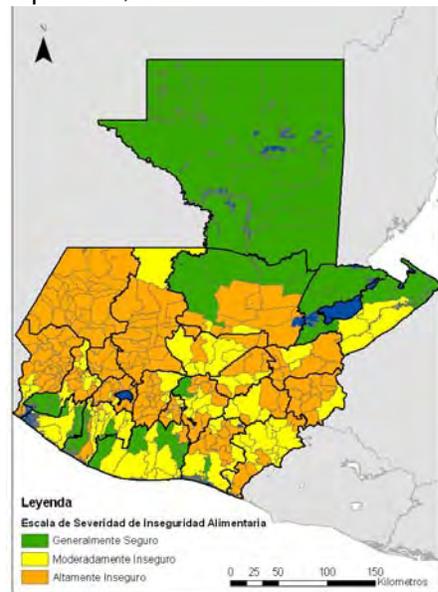
The East area includes: Chiquimula, Zacapa, and El Progreso. We expect food security to deteriorate in the coming months due to the annual hunger season, in addition to the economic impact of high food prices. The first crop production in August-September will improve food availability in the area, as well as the food security situation. The rainfall in this region is scheduled to start from May 25 to June 5, and with it begins the first planting of grains. The poor and extremely poor

Figure 6. Most likely scenario, April-June, 2009



Source: MFEWS

Figure 7. Most likely scenario, July-September, 2009



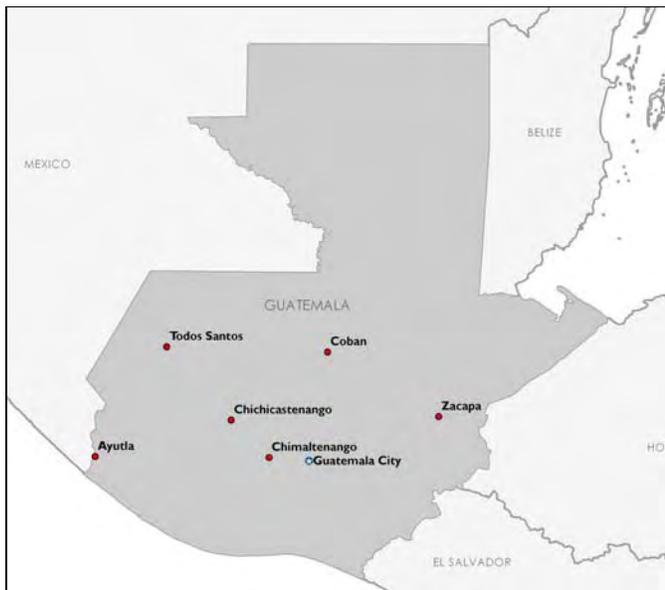
Source: MFEWS

people earn 65 to 90 percent of their income from agricultural wages, such as harvesting watermelon, melon, tomatoes, peppers, and okra.

Demand for unskilled labor in coffee is very important for areas of Alta Verapaz, Quiché, Huehuetenango, Pacific coastal plains, and the East; therefore, the price continues to be monitored. So far, they have been stable, with an approximate price of US\$117.00. However, due to the high cost of inputs for their production, producers could decide to reduce their growing areas, which could affect the demand for labor in the next harvest, which begins in October.

Geographic Focal Area	Possible events in the next six months that could change the most-likely scenario in this area	Impact in the food security conditions	Probability *	Key variables to monitor
North (Petén, Ixcán, Alta Verapaz, and Huehuetenango)	<ul style="list-style-type: none"> Reduction in coffee production Delay in rainy season 	<ul style="list-style-type: none"> Reduction in demand for unskilled labor to cut coffee (October-February), reducing the income of the poor and extremely poor Late first planting, with a risk of extending the annual hunger season, as well as increased susceptibility to pests and diseases 	Unlikely	Coffee harvest forecast and necessary wages
			Very unlikely	Rainy season starting dates and basic grains planting dates
South (Pacific coastal plain)	<ul style="list-style-type: none"> Reduction in coffee production 	<ul style="list-style-type: none"> Reduction in demand for unskilled labor to cut coffee (October-February), reducing the income of the poor and extremely poor 	Unlikely	Coffee harvest forecast and necessary wages
East (Chiquimula, Zacapa, and El Progreso)	<ul style="list-style-type: none"> Late fertilizer distribution Reduction in coffee production 	<ul style="list-style-type: none"> Would result in poor crop fertilization, due to a lack of, or late, application. The yields of basic grains would be reduced, which results in lower reserves at the household level. Reduction in demand for unskilled labor to cut coffee (October-February), reducing the income of the poor and extremely poor. 	Likely	Fertilizer distribution dates by area
			Unlikely	Coffee harvest forecast and necessary wages
South Coast	<ul style="list-style-type: none"> Low growth of sugar cane due to rain irregularities 	<ul style="list-style-type: none"> Reduction in demand for unskilled labor at harvest (November-March), reducing the income of the poorest. 	Unlikely	Sugar cane crop development and harvest forecast

* Probability levels	Description
Likely	Likely to happen in the period of time under actual conditions.
Unlikely	Could happen in the period of time if the conditions change moderately.
Very unlikely	Could happen in the period of time if the conditions change significantly.



Maize is the main source of calories and protein in the Guatemalan diet. White maize is more heavily consumed than yellow maize, but the latter is preferred in some regions and used as poultry feed. Every Guatemalan household consumes black beans: as a protein source it is a particularly valuable complement to cereals in regions where households have limited access to animal products. Consumption habits are strongly linked to tradition and culture. Rice is mainly consumed in urban and peri-urban, but some rural households consume it as well. Guatemala is highly dependent on imported rice. The market in Guatemala City is the largest in the country and feeds the highest concentration of the population.

Monthly prices are supplied by FEWS NET enumerators, local government agencies, market information systems, UN agencies, NGOs, and other network and private sector partners.

*NOTE: Historic prices only available for the capital city market. Data collection now starting in other markets noted on the map.

