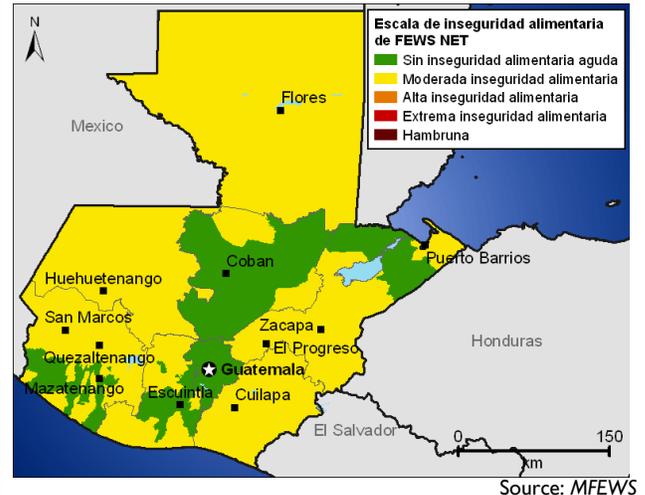


## GUATEMALA Food Security Outlook October 2010 through March 2011

### Key Messages

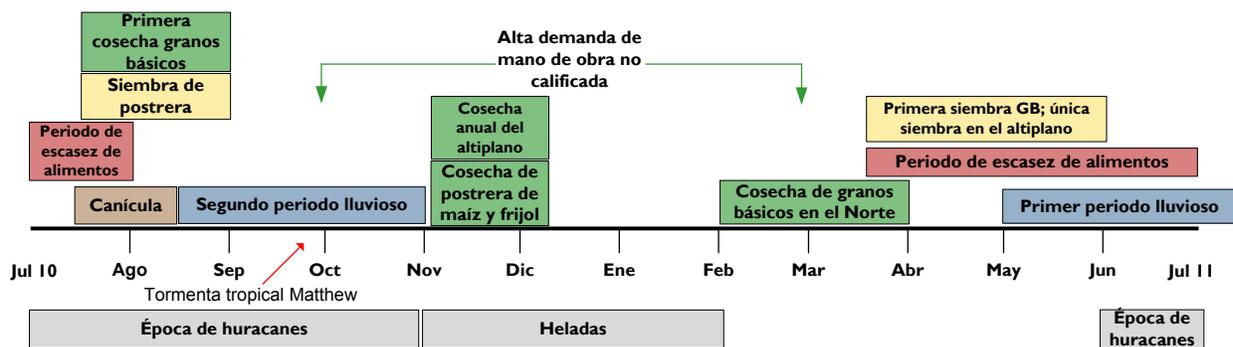
- Currently, the poorest households in the country's highlands suffer moderate food insecurity due to the spread of the annual lean season, as well as the consequences of this year's heavy rainy season. Poor households in the rest of the country suffer moderate insecurity, as some still depend on external help to fill their food requirements, after the impact of the heavy rains received during these last months.
- Levels of acute food insecurity in households located in the highlands will be moderate during the last quarter of the year, as they depend on external help to compensate a harvest 30 percent below normal and damages caused by the rainy season. This assistance will not be enough to cover food needs between January and March, so they will suffer high acute food insecurity.
- The poorest households in the east and in the coasts will face moderate food insecurity during the entire period of this outlook. A smaller first harvest in September/October, and with important losses during the second harvest in December, will considerably reduce their stocks. The start of the highest demand season for unskilled labor will improve their income, but they will still be insufficient to fill their food needs. They will depend on external assistance.
- Hurricane season ends in November, so there is still the possibility of a cyclonic event affecting the country.

**Figure I.** Current estimated results on acute food security, October 2010



For more information on the scale of severity of food insecurity of FEWS NET, refer to: [www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

### Seasonal calendar and critical events timeline



**Most-likely food security scenario for October 2010 through March 2011**

This food security outlook for the next six months divides the country into three relevant areas, for better specificity. Its current situation will be described, as well as its vulnerability and possible events that may arise during the period in question.

**East**

This area suffered a crisis last year, due to a deficit in rainfall during the two agricultural seasons. For this reason, the first harvest of basic grains this year is vital to improve the food security situation. This year, planting was delayed a month and cumulative rainfall received was 70 percent above average from May to September. In this regard, harvest took place in October with yields 15-20 percent below normal. Although they are better than those obtained last year for corn, the case of beans is not as positive, as this crop is highly susceptible to moisture. Fifty percent of the bean harvest was lost, and the rest is a bad quality product that will provide for a shorter duration of stocks. Despite this, the harvest put an end to the annual hunger season, improving the grain availability in the poorest households. Tropical Storm Agatha and other extreme tropical events caused the overflow of the Motagua River, affecting homes and crops found on the river banks.

Among the events that will affect this region during the next semester are:

- Reduction in demand for labor due to damage in commercial crops, such as coffee, tobacco and sugar cane. The season of high demand for labor in the harvest of these crops begins in late October and usually ends in March. However, this period could be shortened if there are fewer products to be harvested. Despite this reduction, workers who are employed will have significant income sources for the purchase of food and agricultural inputs for 2011.
- Since the beginning of October, rains are almost completely suppressed. This has generated hydric stress in beans. A lack of rain in the coming weeks will cause a reduction in yields from the second harvest of up to 80 percent, according to producer estimates. That is, the foreseen suppression of rainfall between now and November will mean lower yields in the second bean harvest. This harvest, and that of Petén, is very important for the availability of gain at a national level.
- The behavior of prices is expected to show an upward trend until August/September, at a time when they would normally tend to fall due to harvests.
- By November, food aid programming foresees to cover an estimated 146,200 people with 1,200 metric tons, and no aid has been foreseen for the first quarter of next year.

**Figure 2. Most likely food security scenario, October-December 2010**



Source: MFEWS

**Figure 3. Most likely food security scenario, January-March 2011**



Source: MFEWS

For more information on the scale of severity of food insecurity of FEWS NET, refer to: [www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

Currently, households in this area are moderately food insecure, because although the first harvest improved grain availability in households, they still depend on external help to cover their food needs due to losses in households near the Motagua and its tributaries. This situation will last until December, when the second harvest season starts. This is expected to be below normal and will take place a month after it was supposed to, but it will also improve the availability of households and will serve as a reserve for next year, as these households will tend to prefer to consume rather than sell the product when they have fewer quantities. The decrease in product volumes for the market could increase the price of grain at a national level, until Petén's second harvest season takes place between February and March of next year. Additionally, lower sales of beans means that these households will have less income, which is usually used for food and other basic needs. Additionally, unskilled employment options increase from October, concluding between February and March. With the normal increase of income during this period, food access will be assured by self-production consumption and purchase. Therefore, the food situation of households in the region will improve until the middle of the first quarter of next year, when stocks lower than normal will cause an early onset of the annual hunger season and the poorest households will be forced to rely on their response strategies earlier than usual, but without a negative impact on their livelihoods. The latter, and dependence on external assistance to meet the food requirements of some families, places them in moderate food insecurity from October to March.

### Highlands

Currently in the highlands, poor and extremely poor households are still going through the annual hunger season until the only harvest of the year occurs between November and December. A more active than normal rainy season, which began in May, caused the overflowing of rivers, major landslides and the proliferation of diseases and pests, especially in beans. The poorest households do not have a high dependence on their production to obtain food, as poor households depend between 20-50 percent on maize production, while the extremely poor do between 5-20 percent. However, losses and damages will cause a shorter duration of their reserves and, in the worst case, an extension in the duration of dependence on food purchases for one more year, forcing them to resort to the search for additional sources of employment with temporary migration and unusual destinations. This also makes them more vulnerable to rising prices in the market. Infrastructure was also affected, and in many cases could not be restored or repaired, which impacts access to markets and health services.

On the other hand, the poorest households are highly dependent on the sale of their unskilled labor in order to obtain their income (60-100 percent in the extremely poor households and 45-52 percent in poor households). The season of greatest demand for this labor is about to start with the coffee harvest, and then continue with the sugar cane *zafra* in November. This means a normal increase in employment options for income generation, most of which are used to purchase food. Vegetables are also a source of employment, but this sector was strongly affected by the continued and heavy rains, so it will not generate as many income options this year as it did in previous years. Additionally, an increase in the prices registered for basic grains have been reported, due to increase in the demand and to poor road infrastructure, where there are still some small bridges destroyed and there are some impassable community roads.

Some of the events that will affect this region during the next semester are:

- The demand for unskilled labor to cut coffee and sugar cane will not be reduced but the volume of the harvest itself, due to damage in these crops after the constant rains. The intensive work season starts at the end of October, and this year will conclude in February, a month earlier. This means less net income for day laborers, as the number of days worked will be reduced.
- Prices will remain high, especially as a result of difficulties in physical access. Corn from Mexico will compensate at least partially, the decrease in market supply. A 25-percent increase in the price over the same period in 2009 has already been reported.
- Although the government has appealed to the international community to find financing options for reconstruction, there is still a budget deficit and the implementation of related actions will take time, which will not facilitate the rehabilitation of physical access in the short term. This affects all markets in the region because there are still small bridges and roads destroyed, which will not allow free trade to and from the communities.
- A normal pattern in the receipt of remittances is foreseen, with an improvement over last year. There is no marked trend in its behavior for the following months, except for a better reception in December due to year-end holidays. Nevertheless, they are expected to exceed USD 300,000 monthly nationwide.

- Between October and December, as a result of La Niña phenomenon, a slightly better probability (> 38%) of temperatures below normal is foreseen, affecting the health of the population and vegetable production, a sector that was strongly affected by rains. Additionally, cold fronts have started early in October, when they normally start in November.

Considering the current conditions and coming events, the situation of the poorest households in this region is: A harvest with yields 30 percent lower than last year results translates into diminished reserves, which lasts three months instead of the usual four. This means that it will conclude in February. During this same period, greater income will be generated than at any other time of year as a result of wages, although they will be lower than in previous years. In conclusion, between October and December, most of the poorest households in this region will meet their food requirements, although due to damage caused by rains; they will do so through external assistance, especially in the case of households seriously affected in the region. Because of this dependence on external assistance, the region will suffer moderate food insecurity.

For the first quarter of 2011, the deterioration of the food situation from moderate to high food insecurity will be visible. This is because the day-work season will be shorter than normal, which will have an impact on annual earnings, and prices are expected to rise at a time when prices usually decline, as harvests are taking place. This situation will reduce the quantity of food that can be bought. Thus, there will be a gap between household food needs and the amount of food available, either from production or purchase. Poor and extremely poor households will probably resort to strategies such as seeking employment options in remote and unusual places or the sale of assets. Up to now, delivery is foreseen to take place until December, with a program that provides coverage for approximately 86,000 people with 662 metric tons in November, but deliveries during the first quarter of 2011 are not foreseen yet. This means their food needs will not be fully covered from January to March. Additionally, these households may choose to use strategies that may result in a deterioration of their future resilience, as permanent migration of household members, the sale of productive assets such as land or tools, among others. Most poor households in this region will suffer from high food insecurity during the period January to March.

#### **Pacific and Atlantic Coasts**

The food situation in the Pacific and the Atlantic coasts must also be taken into consideration, as these areas were particularly affected by the unusually high rainy season this year. It originated loss and damage to maize and commercial crops, especially to those located near rivers, as well as the occurrence of pests and diseases. The first sowing is the most important one, since 60 percent of maize is produced during that period.

In the Atlantic, the loss of maize, tomato, beans and plantain is estimated to be up to 80 percent of the harvest. However, food aid is present, which so far is expected to continue until December. During this same month, households plan to carry out their *postrera* planting, expecting to recover with its harvest at the end of March.

In the Pacific, sesame seed is the main crop in *postrera* planting, as the sale of this product generates the income needed to purchase inputs for the first planting the following year. Rainfall caused the loss of these crops, which can be translated into fewer resources for the agricultural campaign in 2011.

The condition of the road network was also affected, making the possibility of access to markets in these areas difficult. In the health sector, there has been an increase in the number of reported dengue cases, higher than expected. On the other hand, households whose livelihood is closely related to fishing were also affected, since the number of fishing days and the distance they enter the sea were reduced. This means less income and food availability, as part of fishing is also intended for home consumption. However, their recovery is faster because they can resume their activities when weather conditions improve. Households in these areas also rely heavily on the sale of unskilled labor. Crops that require more labor are musaceous such as plantains and bananas, for the Atlantic region, and coffee, sugar cane and other products for the Pacific area.

It is foreseen that these events will affect this region in the second half of the year:

- Prices will increase although the entry of Mexican corn is expected to help prevent an excessive rise in prices.
- The demand for unskilled labor to cut coffee, sugar cane, tobacco and musaceous will be reduced due to damage suffered by these crops.

A decrease in labor demand will reduce cash income, affecting purchasing power to obtain food in the region that does not grow beans and must purchase it. For households that suffered the loss of the first harvest, this will mean reliance on this income for a longer period, until the next harvest in March. However, by the end of the last quarter, the delivery of food aid from the World Food Program is foreseen to take place, with a program until November of 104,800 persons and 808 metric tons, which will surely enhance the availability of food for the poorest households. This situation makes them suffer from moderate food insecurity because they cannot meet their requirements by themselves and must rely on external support to achieve it. Income from the sale of their labor is likely to be used between January and March to purchase food, if food aid deliveries do not continue, because they have not been foreseen yet. The second harvest season in the Atlantic will take place at the end of the first quarter of 2011, improving food availability, which means that the population may gradually use this product to meet their food needs, gradually reducing food insecurity.

**Table I.** Less-likely scenarios for the next six months that could change the aforementioned scenarios

Area	Event	Impact on food security results
East	Continuation of rainfall, although in smaller amounts.	This will help overcome hydric stress suffered by the second bean harvest, resulting in good yields which mean an improvement in the availability of grain and a regulation of its low price in the market. This will also improve food availability in households and their food options.
All the country	The amount of maize from Mexico does not increase.	The reduction in the availability of grain in the national market, due to this year's losses, will not be compensated and the prices will increase significantly, making economic access to food difficult for the poorest households.
All the country	Black bean export to Costa Rica (the only country in the region that consumes it) as a result of a favorable price differential.	This will mean a smaller grain supply in the national market, forcing prices up. This increase, combined with lower incomes, will mean that the poorest households will have fewer options to purchase it and their consumption will decrease, affecting the quantity and quality of their diet.
All the country	Impact of a cyclonic event, either from the Pacific or the Atlantic, as the hurricane season ends in November.	This will further deteriorate the state of basic infrastructure and roads, hampering trade. This would affect the second harvest season, reducing household food reserves and product supply (especially black beans) to the market, which would significantly increase the price, making it impossible for extremely poor households to purchase it.