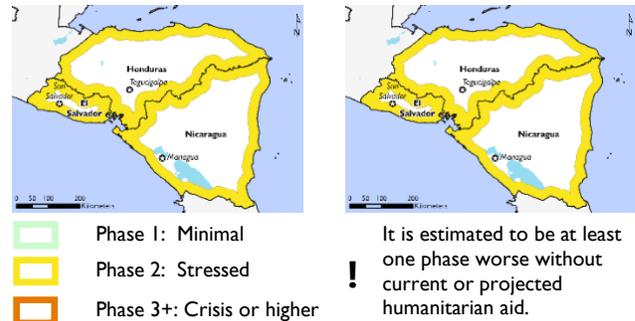


Harvests and seasonal factors to permit a reduction in acute food insecurity

KEY MESSAGES

- From October 2022 to January 2023, the food security conditions of poor households in rural and urban areas are expected to seasonally improve due to the output of the harvests, a slight drop in food prices, and a seasonal increase in income. From February to May 2023, the lean season, which will start early for households most affected by crop loss, will result in a seasonal deterioration of the food situation of urban and rural households, accentuated by the ongoing high inflation rates in all three countries. This will be reflected in the gradual rise in households facing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) outcomes in all three countries, as the outlook period unfolds, with no changes in area classification.
- Following the *primera* harvest, food availability will further improve with the *postrera* harvest in November. The *postrera* harvest will have near average production, despite some post-harvest losses due to excess moisture, and damages from Hurricane Julia. Nonetheless, subsistence households will have lower harvests due to reduced sowing areas and the damages caused by Hurricane Julia. The weather forecast will favor the production of the *apante*/late *postrera* season in areas of Honduras and Nicaragua, allowing red bean supplies to flow to national and regional markets. It will also favor the beginning of the 2023 *primera* season, but with smaller than usual sowing areas given above-average agricultural input prices.
- By the beginning of the season, the impact of high prices will be mitigated until February/March, high labor demand is expected, as well as a seasonal increased in urban commercial activities. However, even as staple grain prices decline with the arrive of harvests, the persistence of high inflation will continue to limit the purchasing power of households throughout the analysis period.

Projected food security outcomes, October 2022-January 2023 (left) and February-May 2023 (right)

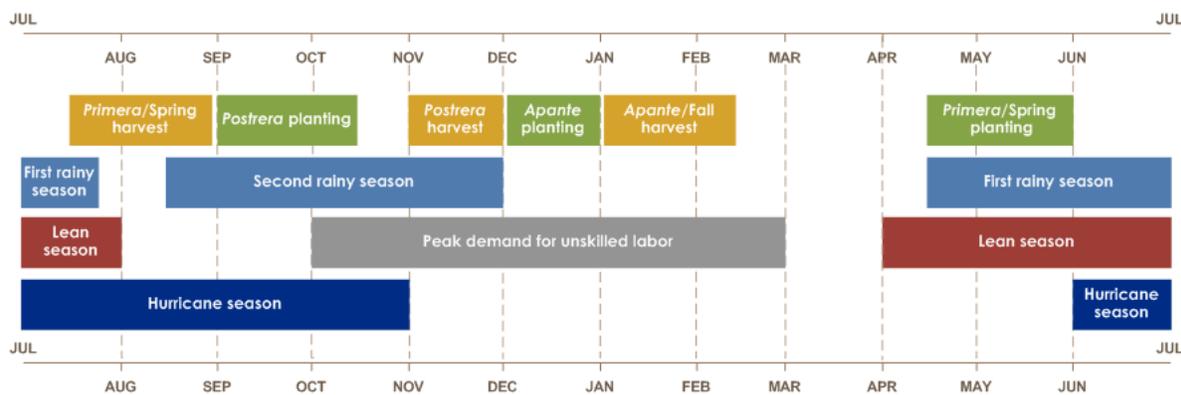


Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

For Remote Monitoring, FEWS NET uses a colored outline on the IPC map to show the highest IPC classification in the areas of concern.

SEASONAL CALENDAR FOR A TYPICAL YEAR



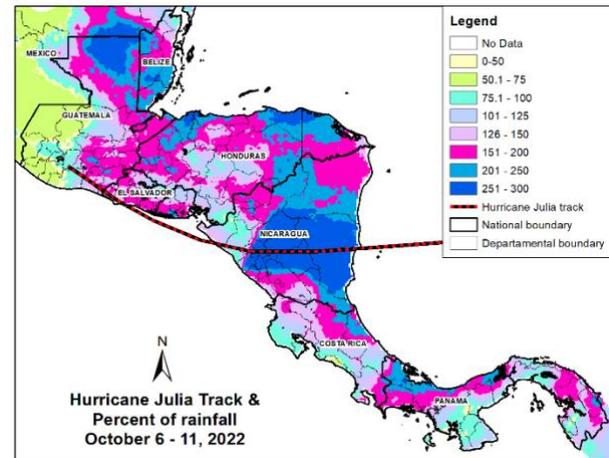
Source: FEWS NET

AREA	CURRENT ANOMALIES	PROJECTED ANOMALIES
<i>Regional</i>	<ul style="list-style-type: none"> • Despite being stable compared to the previous month, and there being a slight drop concerning previous months, the rise in general and food inflation persisted in September, with year-over-year increases between 7.5 and 11.5 percent in the region for the former and between 13.5 and 17.1 percent for the latter, respectively. • In the San Salvador and Managua markets, wholesale maize prices were reported as being stable in September with respect to the prior month, while those prices dropped in Tegucigalpa. As for bean prices, a drop was reported in Tegucigalpa and Managua, while the price was stable in San Salvador. However, throughout the region, prices remain well above last year's and the five-year average. Other foods, including vegetable oils, animal protein, and sugar, show similar trends. • Given a slight drop in international fuel prices, and the provision of government subsidies in the region's three countries, fuel prices in September remained stable compared to the previous month. Nonetheless, they continue to be well above the previous year and the five-year average. The same trend was observed for fertilizer prices. • Although the western part of El Salvador and the northeastern border between Honduras and Nicaragua showed precipitation accumulation up to 25 percent below the historical average in October, no deficits were reported. The heavy rains caused by Hurricane Julia allowed crops to recover the moisture they needed to grow. However, in targeted areas of eastern El Salvador, northern Nicaragua, and eastern and northern Honduras, damages and losses were reported due to strong winds and flooding, thus affecting the subsistence production of some farmers. 	<ul style="list-style-type: none"> • Although the sharp rise in international fuel prices has subsided, they are expected to remain above average until May 2023, reflected in higher food prices and general inflation throughout the region. • Fertilizer prices will remain above those reported in 2021 for the next <i>apante/late postrera</i> cycle and, especially, for the 2023 <i>primera</i> season. Just like the two previous cycles, this will cause a drop in sowing areas for small producers, although national production will remain average. It will also impact the continuation of high prices for agricultural products. • Projections for staple grain prices show a seasonal decline towards the end of the year, and then a seasonal rise beginning in March/April, when local harvest flows come to an end. However, prices will remain well above the regional five-year average as a whole throughout the analysis period. • Agricultural labor demand seasonally rises from October through February, and it is expected to remain within the average, despite some damages caused to cash crops from Hurricane Julia. However, due to increased migration and the disinterest of younger generations, fewer day laborers are reported than average, which has resulted in an increase in the daily wage paid. As for urban areas, a slight seasonal increase in income related to commercial and tourist activities is expected, but given the countries' economic situation, a major recovery of jobs compared to pre-pandemic levels is not expected. Remittances will remain above the previous year, slowing down in El Salvador. • The lean season will happen one month earlier in households that are most affected by the damages and losses caused by Hurricane Julia.

PROJECTED OUTLOOK THROUGH MAY 2023

By October, most producer households already have food reserves available, primarily maize – the main product of the *primera* harvest. These reserves allow households to not be so dependent on purchases; meanwhile, prices are falling seasonally, reducing pressure on the household. However, there are areas in eastern El Salvador and southern Honduras that harvest *primera* maize in November, along with *postrera* beans, making this group still heavily dependent on purchases. The same is true for producers, who were affected by strong winds and flooding caused by the passing of Hurricane Julia through the region from October 6 to 11. The tropical storm directly impacted central Nicaragua and eastern El Salvador and left heavy precipitation accumulations in areas of eastern and northwestern Honduras (Figure 1). Losses of *postrera* beans and *primera* maize – still in the field – are localized and will not have a major impact on national production. However, they do represent the ongoing dependency on food purchases for this group of producer households whose food reserves will be significantly reduced.

Figure 1. Hurricane Julia's Track Record and Reported Precipitation Percentages. October 6-11, 2022.



Source: National Hurricane Center/NOAA

Regional variations of wholesale prices for white maize and red beans in September were up to -12.4 percent for maize and -8.1 percent for beans. These prices reflect an expected decrease by following seasonal trends as the supply of fresh grains from the *primera* harvest reaches markets. Nonetheless, red bean prices in October are expected to rise 34 percent compared to the previous month, especially in Honduras and Nicaragua, due to the speculation and sharp increases at the beginning of the month, given the risk posed by the impact of Hurricane Julia. In any case, prices were still well above the five-year average and the values reported in 2021, even in September. These increases and those of other foods – such as wheat byproducts, animal protein, and vegetable oil – continue to put pressure on household food access. In addition, up until September, job options in rural areas remained seasonally low. However, with the start of the harvest of cash crops, including coffee and sugarcane, the demand for agricultural labor increases, thus improving the incomes of poor households and access to foods they do not produce. In urban areas, employment figures have risen slightly in 2022, with a lower recovery rate in Nicaragua.

From October 2022 to January 2023, the *postrera* harvest is expected and will consist mostly red beans, and part of the *primera* maize harvest in the field. These harvests are expected to be close to the national average, since the damages caused by Hurricane Julia was location-specific. Therefore, maize prices are expected to seasonally decline until December 2022 or January 2023, allowing for a slight recovery in the purchasing power of households that are still dependent on purchases. However, white maize prices will reach year-over-year variations of up to 70, 48, and 49 percent above average for El Salvador, Honduras, and Nicaragua, respectively. For red beans, price will reach year-over-year variations of up to 62, 29, and 62 percent above average, respectively.

For many subsistence farmers, harvests will be below average given the decrease in planted area as a result of higher prices for leasing land and agricultural inputs. Furthermore, farmers in targeted areas sustained losses from flooding from Hurricane Julia and during the rainy season, especially in eastern El Salvador. This will result in a shorter duration of 2023 reserves for a proportion of poor households. Despite this, the harvest for this period will mean a rise in the immediate availability of staple grains in markets and in reserves producing households. In January 2023, poor households will rely more on their production, placing less importance on purchases.

A seasonal increase in commercial activity in urban areas and the demand for labor to harvest coffee, sugarcane, and other cash crops will improve household food security by allowing households to use cash to cover other basic needs instead of using it for food purchases. In addition, the price of agricultural wages is reported to rise this year, which should partially offset the high inflation.

All of these seasonal improvements will allow most regional households to face Stressed (IPC Phase 2) acute food insecurity, given that they can cover their food needs, despite having to limit their expenditures in other categories, while also reducing the quality of food, or resorting to less preferable foods. However, there will be pockets of populations, especially in areas affected by Hurricane Julia, that, due to losses and ongoing above-average prices, will see the impact of seasonal

improvements as significantly limited. As a result, they will have to continue implementing unsustainable coping strategies such as modified consumption and resorting to loans for food purchases, facing Crisis (IPC Phase 3) outcomes for the entire analysis period. Furthermore, additional increases in fuel, transportation, and food prices beyond those projected would increasingly reduce the impact of these seasonal improvements, making food access more difficult for the poorest households, increasing the proportion of the population facing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) acute food insecurity.

February to May 2023 will be marked by a near-average *apante/late postrera* harvest in areas of northern and central Honduras and central Nicaragua that produce red beans. Although producing households almost entirely use their production for sale and not for consumption, it contributes to the seasonal drop in prices through March and the supply of beans in the regional market for upcoming months. Consequently, regional households will benefit from price modulation through March until the start of the lean season. The lean season will start one month earlier than usual among households affected by Hurricane Julia in all three countries, along with households in Honduras still recovering from recent years' shocks.

During the lean season, income-generating opportunities will be reduced as the season for high labor demand ends and food reserves decrease among rural subsistence households. As a result, households will rely heavily on purchases when staple grain prices are seasonally rising. Prices are expected to continue to be well above average due to the events of 2022. During this period, white maize prices are expected to rise 76, 47, and 46 percent above the five-year average in El Salvador, Honduras, and Nicaragua. Projections for red bean prices indicate positive variations of up to 62, 24, and 56 percent above average. Inflation and other food prices are also expected to remain high, thus increasing the proportion of the poorest households that must implement — and even intensify — the use of coping strategies to mitigate the food consumption gap. On the other hand, urban household incomes will remain relatively stable as job rates slowly and gradually increase, although wages will not show major improvements, further constraining access to food and other basic needs.

The weather outlook for the upcoming year indicates that the 2023 *primera* harvest will have a timely start, around May/June. Nonetheless, the high costs of seeds, fertilizers, labor, and land leases will continue, making it likely that the area planted by subsistence farmers will drop once again.

The culmination of seasonal factors and those related to previous shocks, including high inflation and the impact of Hurricane Julia, will cause a deterioration in the food security conditions among poor households. As a result, the number of people facing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) acute food insecurity will increase, but this will not result in an area classification change. Most areas will continue to face Stressed (IPC Phase 2) outcomes for the remainder of the outlook period. An increase in prices above current projections could cause these figures to increase.

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ABOUT REMOTE MONITORING

For remote monitoring, a coordinator typically works through the nearest regional office. Supported by data from partners, the coordinator uses scenario development to conduct an analysis and produce monthly reports. Remote monitoring countries may have less data available and, as a result, reports may be less detailed than countries with a FEWS NET presence. For more information on this paper, [click here](#).