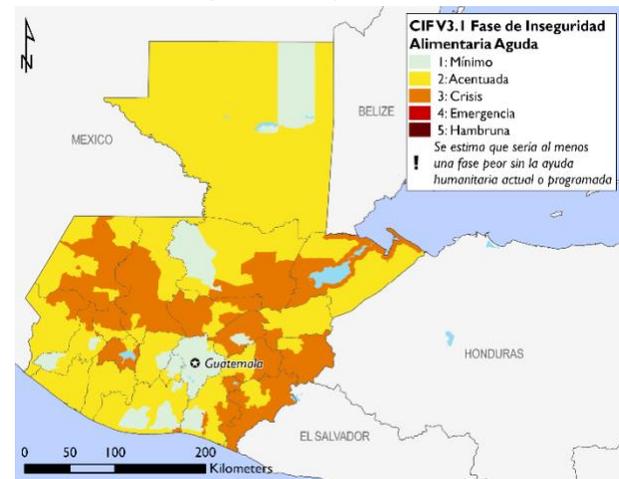


*Seasonal improvement in income limited by continued rise in prices of basic foodstuffs*

**KEY MESSAGES**

- Households in the eastern and western Dry Corridor and in northern areas affected by storms Eta and Iota entered the lean season prematurely as a result of debt and a lack of savings, as well as continued price hikes for staple foods and transportation. Incomes during the current lean season are lower than normal due to a reduction in area planted and, consequently, in agricultural employment as a result of high fertilizer prices. Until September, these households will reduce the number of meals they eat per day and the amount of food in their diet. In addition, households will resort to negative coping strategies, such as atypical migration and selling productive assets, and will therefore be in Crisis (IPC Phase 3).
- Many households will progress to Stressed (IPC Phase 2) in October, when the peak agricultural labor season begins. The higher income this entails will allow for a seasonal improvement in diets. However, some households, especially in areas in the Dry Corridor and Alta Verapaz, will only manage to pay their debts and cover their immediate food needs, so they will continue to resort to unsustainable coping strategies, thus keeping them in Crisis (IPC Phase 3).
- In the rest of the country and throughout this outlook, the remaining poor rural households will be Stressed (IPC Phase 2). Given the high prices for fuel, transportation, and food, agricultural and non-agricultural incomes will not be sufficient to cover the cost of a varied diet. In addition, many households will see a reduction in their staple grain harvests for home consumption, which will lead to greater dependence on the market. To meet their food needs, they will have to use savings and loans, eat lower-quality food, and reduce other essential household expenditures. In addition, urban areas will be classified as Minimal (IPC Phase 1) throughout the outlook, thanks largely to gradual economic recovery.
- Although markets will continue to be supplied with maize and beans, food, transportation, and fertilizer prices will remain above the five-year average and increase each month due to the ongoing influence of international factors. In addition, high transportation costs and rain damage to roads will make freight movement more expensive.
- The production of staple grains could be affected by reduced area planted, increased fertilizer costs, and forecasts of unusually high rainfall. Rainfall has already caused flooding and landslides in some localized areas. However, demand for farm labor for the main cash crops is expected to be around average.

Current food security outcomes, June 2022



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.

## NATIONAL OVERVIEW

### Current Situation

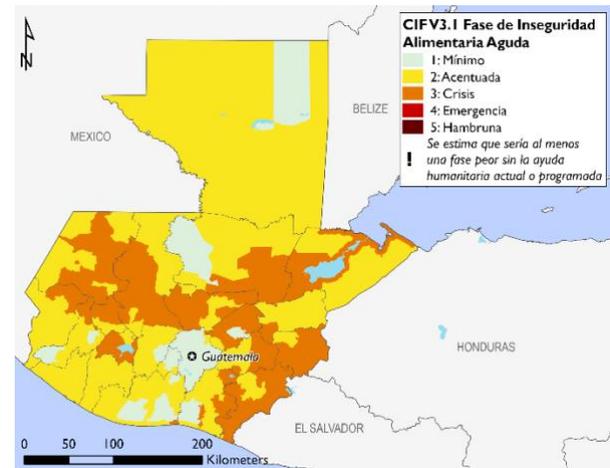
The staple grains planted for the *primera*, the only cycle in the western Altiplano, are at different stages of growth. Although some rainfall has been conducive to crop development, in some localized areas in the north, south, and west of the country, excess rainfall in June caused damage as a result of flooding and landslides. This *primera* season provides rural households with the majority of their maize production. It is also when they produce bean seeds for the *postrera* cycle, which begins between August and September. For this cycle, farmers are facing high prices for agricultural inputs, especially fertilizers: compared to [May 2021](#), urea has increased by 100 percent and 15-15-15 and 20-20-20 chemical blends have increased by 50 to 80 percent. As a result, farmers have had to make adjustments such as reducing the amount of fertilizer they use, reducing the area planted, substituting their preferred fertilizer with lower-quality mixtures, or not planting at all. In some areas of the country, the cost of leasing land has also risen (by between 10 and 20 percent compared to last year), which particularly affects poorer households without land of their own.

The increase in the proportion of households that will not have their own production due to high costs during this cycle has led to reduced demand in labor for clearing land, planting, and the maintenance of crops. The reduction in activities in the *primera* production cycle has negatively affected the income of poorer rural households, especially those who depend on agricultural day labor. Although sporadic, it is their only source of income during these months until October, when peak demand for labor to work on cash crops for export begins.

Following the impact of COVID-19 on the economy, the various sectors are still on the road to recovery. The [monthly index of economic activity](#) for April 2022 shows a year-on-year increase of 4.5 percent, which has remained stable throughout 2022. According to the most recent data available, disaggregated by economic activity in December 2021, hospitality, transportation, warehousing, and construction services showed the highest increases. In addition, recent changes to the health alert system, which now allows for larger gatherings and reduced social distancing requirements, have resulted in improvements in service- and trade-related activities in June 2022. Likewise, after being hit hard by COVID-19, the [tourism sector](#) is finally enjoying a significant recovery this year, with a 257 percent increase in foreign visitors in May 2022, compared to the same period last year. However, it is still 13 percent below the figure for May 2019, prior to the COVID-19 pandemic.

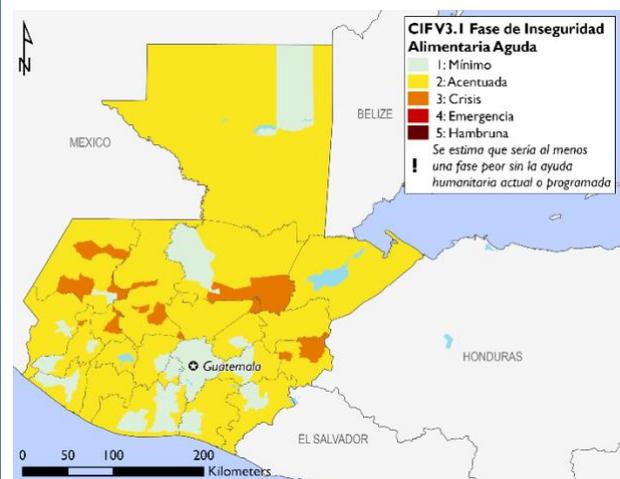
According to the [Bank of Guatemala](#), exports grew by 24.2 percent in the first four months of 2022 compared to the same period in 2021. The main products, according to their share of the total value of exports, were clothing (11.3 percent), coffee (8.5 percent), and edible fats and oils (6.2 percent) and bananas (6 percent). A comparison of the data for 2021 and the first four months of 2022 shows a 54 percent increase in the value of coffee exports, and at the close of the 2020/21 harvest, there was a 14.4-percent increase in [the volume of coffee exported](#) compared to the 2019/20 harvest, and a 34.8-percent increase in its value.

Projected food security outcomes, June to September 2022



Source: FEWS NET

Projected food security outcomes, October 2022 to January 2023

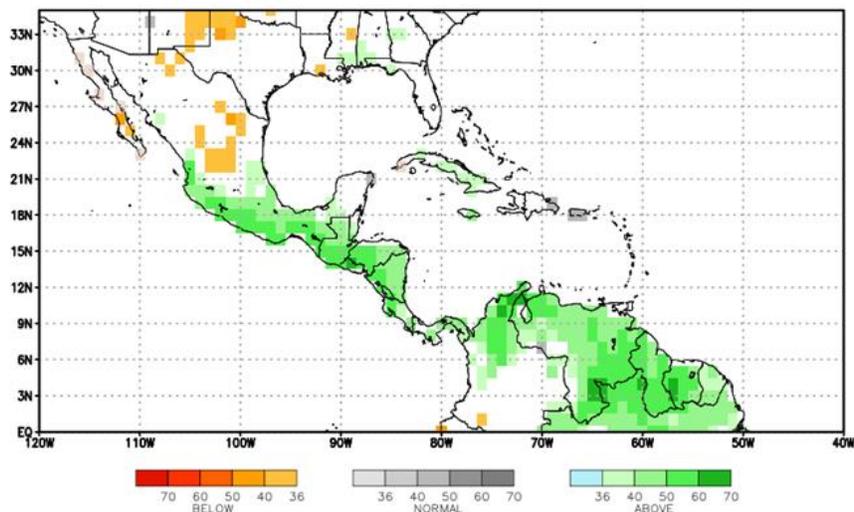


Source: FEWS NET

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.

According to data from the Bank of Guatemala, cardamom is the exception to the increases in the value of exports, having fallen by 30 percent in the first four months of 2022 compared to the same period in 2021, mainly due to the drop in international prices. These export data show that, despite logistical and economic constraints in other countries, these commodities remain in demand, which is positive for the stability of production and, in turn, sources of employment. However, according to the World Bank, growth expectations are lower than expected for 2022 and 2023, which could slow down the country's economic recovery.

Figure I. Percentage of rainfall forecast for July to September 2022



Source: National Oceanic and Atmospheric Administration (NOAA)/FEWS NET

Nevertheless, household purchasing power continues to be negatively affected. Following the shock of COVID-19, which included supply chain disruptions and rising fuel prices, the war in Ukraine has exacerbated these problems. There is now new pressure on food prices, both directly (for goods such as oil and flour) and indirectly, due to higher fertilizer, fuel, and transportation prices. The Consumer Price Index, calculated by the National Statistics Institute of Guatemala, indicates that, in May, monthly inflation was 1.3 percent and the year-on-year inflation rate was 5.8 percent. According to the National Statistics Institute, these are the highest monthly and cumulative inflation rates seen in May between 2015 and 2021. The transportation and food sectors reflect the most significant variations in general price levels. Local prices are following international trends, showing significant year-on-year and five-year variations. Propane gas, electricity, diesel, and gasoline have been subsidized for several months. Nevertheless, at the beginning of June, their prices remained above the five-year average (Table 1). According to data from the Ministry of Energy and Mines, diesel and regular and premium gasoline are the basic expenses that have the highest year-on-year percentage increases in the Consumer Price Index. Consequently, the cost of urban and peri-urban transportation has increased by 41 and 49 percent, respectively, when comparing May 2022 with May 2019 (as a pre-pandemic reference point). In some regions these increases have been higher, sitting at between 60 and 100 percent.

Table I. Percentage increases of main raw materials

Product	Percentage increase compared to May 2021	Percentage increase compared to the five-year average
International price — fuel (United States)	68	101
International price — potassium chloride fertilizer	178	154
International price — yellow maize (United States)	14	81
Domestic price — diesel	65	83*
Domestic price — regular gasoline	43	64*

\*includes subsidy of 7.00 GTQ for diesel, and 5.00 GTQ for gasoline until August 4, 2022  
Sources: FEWS NET Global Price Watch, World Bank Pink Sheet, Ministry of Energy and Mines

Products that form part of the basic food basket have experienced year-on-year increases, with wheat-based products, edible oils, onions, and tomatoes showing the highest increases of between 11 and 37 percent compared to the three-year average. The prices of other products that form the basis of rural households' diets, such as white maize and black beans (with price increases of 50 and 33 percent, respectively, compared to the five-year average) continue to rise, despite stable supply in the markets thanks to reserves from the last domestic harvests and continuous formal and informal imports from Mexico. In

addition to the global economic shocks that have had an impact on these increases in the last month, there have been river overflows, floods and landslides as a result of excess rainfall in June. These have affected not only homes and crops, but highways too, in turn impacting the normal flow of transportation of people and goods.

Continued below-normal incomes and rising food and transportation prices have caused households to resort to atypical borrowing, incurring formal and informal debts for longer than normal. The

World Food Programme (WFP) has confirmed this trend, with data collected in the field in April indicating that debts remain in similar ranges to last year for 32 percent of the households interviewed, and are higher for 22 percent.

Remittances from the United States continue to increase, with those sent in May up by 29 percent compared to last year. Migration to the United States continues to be a strategy for some Guatemalans seeking a better income. However, in the first four months of the year, there has been a 124.3 percent increase in the number of migrants forced to return compared to the same period in 2021, according to a study conducted by the International Organization for Migration and the United States Agency for International Development (USAID) on [returns to northern Central America](#); the departments with the highest number of returnees are Huehuetenango, San Marcos, Guatemala, and Quetzaltenango. According to a [study on migration](#) published by the Migration Policy Institute and WFP, 91 percent of people interviewed in Guatemala indicated that money was their main reason for migration, and 79 percent traveled through illegal networks (such as "coyotes"). The average monthly remittance amount is 350 USD (2,700 GTQ), which is used to cover basic needs and subsistence costs, particularly food and general household expenses.

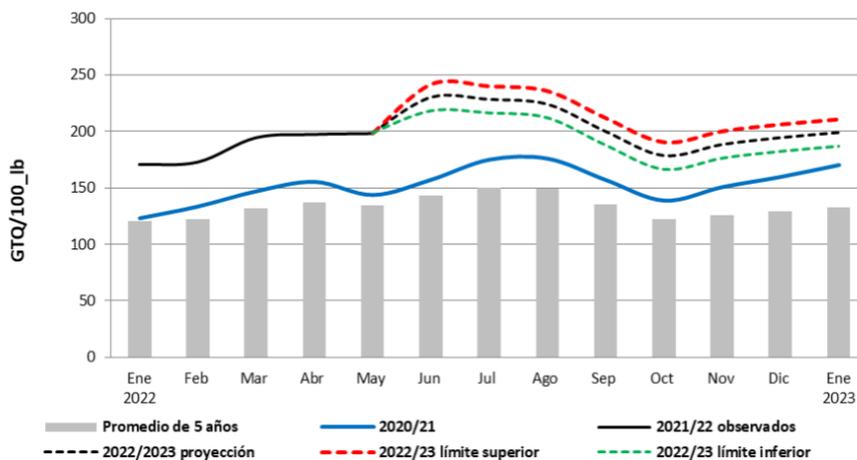
Up to the week of May 22–28, the Epidemiology Department of the [Guatemalan Ministry of Public Health and Social Assistance](#) had reported a cumulative number of 9,422 cases of acute malnutrition (moderate and severe) in children under five years of age in the country in 2022 — a reduction of 9.9 percent compared to 2021. However, when disaggregated by severity, the data show an 8 percent increase in cases of severe acute malnutrition. The health areas of Escuintla, Sacatepéquez, and Retalhuleu have the highest risk of acute malnutrition in children under five years of age.

Institutions such as Catholic Relief Services, World Vision, Save the Children, WFP, Action Against Hunger, Trócaire and Food for the Hungry are set to provide cash transfers with money from USAID's Bureau for Humanitarian Assistance and their own funds. The departments selected are Quiché (six municipalities), Huehuetenango (two), Totonicapán (four), Alta Verapaz (four), Chiquimula (four), Jalapa (seven), Jutiapa (four), Sololá (five), Izabal (four), and Santa Rosa (six). Installments will be made every two to six months, transfer amounts and delivery quantities will vary, and municipal coverage will range from 2 to 19 percent of households.

In addition, in June the Government of Guatemala launched its *Programa Nacional de Emergencia* [National Emergency Program] to address the economic impact of the war in Ukraine. Measures comprise social protection actions such as the implementation of electricity, gas, and fuel subsidies, the building of strategic staple grain reserves through WFP, and the delivery of cash transfers. A stipend of 1,000 GTQ (130 USD) is also planned for 300,000 farmers who implement soil conservation practices on their land under the supervision of staff from the Ministry of Agriculture.

Economic activity continues to recover in the country, supported by the move to a traffic light COVID-19 alert system and the lifting of social distancing restrictions, limits on gatherings, and the use of masks in all municipalities, except those on red alert. This has allowed the recovery of sources of employment that until a few months ago were still only partially operating. The figures for most main-export products remain positive, and macroeconomic activity indicators and economic outlooks

**Figure 2.** Wholesale price of white maize, La Terminal market, 100 lbs/GTQ.



Source: Guatemalan Ministry of Agriculture, Livestock and Food's Directorate of Planning, FEWS NET

point to economic activity remaining stable. However, lower-than-normal incomes and high food, fuel, and transportation prices are negatively affecting household purchasing power.

Rural households located in the Dry Corridor and northern areas and affected by last year's storms entered the lean season earlier than usual due to decreased staple grain reserves following smaller harvests in 2021. This is also compounded by the high cost of food and transportation, and lower demand for sporadic agricultural labor. As a result, these households are facing a considerable decrease in purchasing power and are therefore resorting to unsustainable coping strategies, such as adjusting the amount of food in their diet, engaging in atypical labor migration, and selling productive assets. This is why these households are currently considered to be in Crisis (IPC Phase 3). The remaining rural households in most of the country are Stressed (IPC Phase 2). Stressed outcomes are expected because households have not had enough income to purchase food of sufficient quality, they are having to use various coping strategies, such as adjusting their diet, spending their savings, and applying for credit and loans to supplement their food and basic needs. Meanwhile, urban areas, which are home to most commercial activity and which are experiencing the benefits of economic recovery, are classified as Minimal (IPC Phase 1).

### Assumptions

The outlook from June 2022 to January 2023 is based on the following national assumptions:

- The La Niña phenomenon will continue throughout the period analyzed, so above-average rainfall and a normal *canícula* [hottest, driest period] in terms of duration and timing are expected.
- Normal development of *primera* staple grain crops is expected. However, above-average rainfall during that cycle could cause damage or losses due to flooding or landslides in localized areas.
- For the second rainy season, above-average rainfall is expected, which could lead to *postrera* planting starting early and cause flooding and damage to crops due to excess humidity and the outbreak of diseases and plagues (Figure 1).
- An increase in the price of agricultural inputs will lead to a reduction in crop areas. As a result, and due to excess humidity, production volumes of staple grains for both production cycles, melon, vegetables, coffee, and cardamom for small- and medium-scale producers are expected to be below average.
- A fall in employment and a reduction in work days is expected for staple grains and melon crops and for small- and medium-scale coffee, cardamom, and vegetable production. In addition, due to the low selling price of cardamom, demand for labor on commercial farms is expected to be below average.
- Cash-crop export volumes and the international prices of coffee, African palm oil, bananas, and sugar are expected to remain in normal ranges and demand for labor on large commercial farms is therefore expected to be stable. In the case of coffee, the forecast of above-normal accumulated rainfall in some areas of the country could cause infestation outbreaks and a drop in beans, but it is expected that the day labor opportunities available will remain stable. Demand for coffee harvesting labor on farms in Mexico and Honduras is expected to be within normal ranges.
- Income generated by non-agricultural work and informal labor is expected to continue to improve but remain slightly below pre-pandemic levels due to either fewer days of work, part-time work, or lower pay per day worked. Tourism activity is projected to continue to recover and it is hoped that households dependent on these sources of employment, whether formal or informal, will begin to see improvements in their livelihoods and incomes, although they are not yet expected to reach pre-pandemic levels.
- Fuel and fertilizer prices are both expected to continue following the current trend, with prices well above the five-year average. High transportation costs and debt payments are expected to continue to reduce the proportion of household income allocated to food purchases.
- Market supply is expected to be normal but forecasts predict that prices of staple foods such as maize and beans will be above the five-year average (45–50 percent and 25–30 percent, respectively) (Figure 2).

### Most Likely Food Security Outcomes

Between June and September 2022, rural households will continue to experience the most pronounced period of scarcity until the end of August. Seasonally, during these months, income decreases as opportunities for seasonal agricultural work

are in short supply. This year, the income of agricultural day laborers who are usually hired for work related to staple grain crops will remain lower than normal, as high fertilizer prices caused small- and medium-scale producers to reduce their *primera* planting areas, in turn reducing or even eliminating labor costs. The high cost of agricultural inputs will also have a negative impact on the crops that small-scale farmers produce for their own consumption, because in order to lower costs, they will reduce their planting areas, avoid using fertilizers, or only use minimal amounts or low-quality fertilizers. This will significantly reduce their *primera* production, which is normally enough for their own consumption for one to three months. Subsistence farmers who have not been able to lease land or plant seeds will not have their own crops for home consumption and will be completely dependent on market purchases.

For the months that follow, food, transportation, and fertilizer prices are expected to remain above the five-year average and increase month on month due to the continued influence of international factors, together with rain damage to roads. As a result, until September, rural households will have to resort to spending their savings, using loans, and reducing the quality of their food, in addition to cutting back on other essential household expenses, in order to meet their food needs. They will therefore be categorized as Stressed (IPC Phase 2). Poorer rural households in the Dry Corridor, western Altiplano and the north of the country, affected by Hurricanes Eta and Iota, entered the lean season earlier than usual due to agricultural losses from past cycles and low incomes. These households have depended on buying food in the market at high prices for a long time, and since they have no savings, they will continue having to resort to loans and credit. In order to ensure a basic minimum diet, they will reduce the amount of food they eat and the frequency of their meals, and implement negative coping strategies — such as atypical migration and the sale of productive assets — that will put their livelihoods at risk. They will therefore be classified as in Crisis (IPC Phase 3) until September.

The next period covered by this outlook (October 2022 to January 2023) is a time of high labor demand for the main cash crops for export and coincides with the *primera* and *postrera* staple grain harvests. Labor supply and income are expected to be within average ranges for most export crops, with the exception of cardamom, given its lower selling price, and small- and medium-scale coffee harvesters who are finding it difficult to cover agricultural input prices and will thus be forced to reduce their labor costs. At the national level, excess rainfall and humidity and the decrease in planting areas due to high fertilizer costs will reduce staple grain production volumes, particularly for small- and medium-scale farmers. This will result in lower reserves for subsistence farmers, lower sales volumes for those who manage to sell part of their harvest, and, consequently, greater reliance on the market for food while food and transportation costs remain high. However, recently received income will allow rural households to improve their diets and avoid the use of critical coping strategies, making them Stressed (IPC Phase 2) until January 2023. However, within these areas, some pockets of the population will still be in Crisis (IPC Phase 3) as their recently received income will be used up quickly and access to food will gradually reduce.

The improvement in income will not be sufficient for poorer rural households in some of the hardest-hit areas in the Dry Corridor, the western Altiplano, and Alta Verapaz that have not been able to recover due to unpaid debts and deteriorating livelihoods. The aforementioned economic factors will prevent these households from having their own staple grain crops, which would meet their family consumption needs for one to three months. These households will use their recently received daily wages to pay off debts and buy basic foodstuffs (at higher prices than usual), but they will continue to resort to reducing the number of meals they eat, taking out loans, and engaging in atypical migration to complete their diet, thus experiencing Crisis (IPC Phase 3) outcomes until January 2023.

For the two periods covered by this outlook, urban areas are expected to remain in Minimal (IPC Phase 1), benefiting from an upturn in economic activity thanks to the removal of restrictions on gatherings and social distancing. However, the increase in fuel and basic food basket prices will put pressure on household purchasing power, so some pockets of people in these areas will be classified as Stressed (IPC Phase 2).

*Events that Might Change The Outlook*

Possible events over the next eight months that could change the most-likely scenario.

Area	Event	Impact on food security outcomes
National	Below-average rainfall or a longer and more intense <i>canícula</i>	This would result in crop damage and below-average staple grain yields in both cycles, resulting in more households experiencing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) outcomes.
	Damage due to greater-than-anticipated excess rainfall	Excess humidity, infestation outbreaks in coffee crops, and fruit fall are expected to lead to a further reduction in production and employment. It is also expected to cause additional price increases and a further reduction in the reserves kept by subsistence households, resulting in more people being classified as Stressed (IPC Phase 2) and in Crisis (IPC Phase 3).
	Tropical storm or hurricane	The impact of a tropical storm would depend on its magnitude and path, but it would cause damage to agriculture and public and private infrastructure, thereby increasing the number of households that are Stressed (IPC Phase 2) or in Crisis (IPC Phase 3) and worsening the situation for those already in Crisis (IPC Phase 3).
	Additional increase in international fuel prices	An additional increase in national fuel prices and therefore food prices would further reduce household purchasing power and cause food consumption to deteriorate, resulting in a higher proportion of households facing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) outcomes.

**AREAS OF CONCERN**

***Livelihood zone characterized by the sale of labor in irrigated vegetables and coffee, and the production of staple grains for home consumption in Quiché and Baja Verapaz — focus on Baja Verapaz***

*Current Situation*

Most of the area is in the Dry Corridor and has suffered from recurrent droughts in recent years, including 2021. The fall in production of maize and beans for home consumption has increased households' already high dependence on buying food in the markets. This has weakened their purchasing power due to the high food prices reported. Local maize and bean prices are following the same trend as national prices, with current increases of more than 50 percent. Local transportation costs have doubled or even tripled, so households are spending much more than normal on transport. All food items in the basic food basket have increased in price compared to last year.

The main source of income for households in this area is local agricultural labor (staple grains and vegetables throughout the year in the north) and seasonal migration activities (from October to February harvesting coffee in Alta Verapaz, the east, and Honduras, and sugar cane on the south coast). However, this year, production has been affected by a number of factors:

the high costs of fertilizer and agricultural inputs (for the production of vegetables and staple grains) led to a reduction or even complete lack of areas planted, and high transportation costs doubled or even tripled in some areas, limiting access for the workforce. Other sources of informal income (domestic employment, bricklaying, and handicrafts) have declined as the

**Figure 3.** Reference map for GT07



middle-income and affluent households that typically employ such workers have not been able to earn pre-pandemic levels of income through trade, services, and tourism.

In conclusion, incomes are lower than usual at the same time as basic food basket prices have increased. This has resulted in households — whose diet was already basic, consisting mainly of maize, beans, sugar and oil — consuming less food. To meet their food needs, these households are resorting to other negative strategies such as debt, atypical migration, and the sale of productive assets. In the middle of the lean season, these households are currently in Crisis (IPC Phase 3).

*Assumptions*

The outlook for this region from July 2022 to January 2023 is based on the following assumptions, in addition to the national assumptions outlined previously:

- Reserves of staple grains for home consumption are expected to be lower or completely depleted.
- Vegetable production, an important source of local employment, may be lower than usual due to high fertilizer prices.
- Income is expected to be lower due to the need to limit work days as a result of high transportation costs for harvesting coffee in Alta Verapaz, Chiquimula, and Honduras, and sugar cane on the south coast.

*Most Likely Food Security Outcomes*

During the first period covered by this outlook (June to September 2022), households will find themselves in the middle of the lean season with no staple grain reserves, relying on the market for their food at higher-than-usual prices, and with below-average incomes due to reduced employment in staple grain farming. Food prices will continue to rise and households, in addition to resorting to loans, will have to engage in atypical migration, take their children out of school, and sell their productive assets to cover their food needs, thus experiencing Crisis outcomes (IPC Phase 3). For the second period (October 2022 to January 2023), significant events such as the season of high labor demand and the *primera* harvests may reduce the use of negative coping strategies. At this time, heads of households tend to travel out of the area for seasonal employment in different crops, where daily wages for coffee and sugar (the two main cash crops with the highest demand for labor) are expected to remain stable. However, the number of working days during the coffee harvest may be slightly lower than average because high production costs may mean lower production or less money available to hire labor. In addition, high transportation costs will stop workers from commuting to places of employment as frequently. Demand for cardamom labor will be lower than usual, due to the decrease in the selling price. To compensate for lower income from traditional sources of agricultural labor, households will resort to the use of strategies such as cutting back on non-food expenditure, borrowing money, and buying food on credit, and will therefore be Stressed (IPC Phase 2) until January 2023. AREAS OF CONCERN

***Livelihood zone where the sale of unskilled labor is the main source of income — focus on Zacapa***

*Current Situation*

This area is located within the Dry Corridor, making it highly vulnerable to drought. Although it is not a suitable area for agriculture, the local population produces staple rainfed grains, mainly for family consumption. Poorer households typically lease land for cultivation. Their main source of income is agricultural labor either locally or outside their area of residence. The area has been affected for five consecutive years by erratic rainfall patterns that have affected the production of staple subsistence grains. Last year, there were also losses in both the *primera* and *postrera* seasons, which caused the lean season to start prematurely for poor households this year.

In this livelihood zone, in addition to staple grains for home consumption, households grow coffee, melon, and, on a smaller scale, seasonal vegetables to sell on. There is demand

**Figure 4.** Reference map for GT10



for melon labor throughout the production cycle (September to April), making it an important source of employment for poor households. In the lean season, there are few sources of seasonal employment, except for a few days of labor within neighboring communities and villages for clearing and preparing land for staple grain crops and tending pastures. However, this employment has decreased due to the area used for planting staple grains and melon being reduced because of the high cost of fertilizer. For many households, most of the income generated is used to purchase food. Food consumption is limited to the staple grains available in the community (maize and beans), and sugar, coffee, and oil, which they acquire from stores or neighbors. The steady increase in maize and bean prices throughout the year continues to affect household spending, as does public transportation, which costs double what it did in 2019.

In addition to high food and transportation costs and limited staple grain reserves, households must contend with reduced income from labor on melon and vegetable plantations, which affects their purchasing power. In March, before the usual onset of the lean season, households were making adjustments to the amount of food in their diet and using negative coping strategies, such as the sale of productive assets and atypical migration, meaning they are currently in Crisis (IPC Phase 3).

### *Assumptions*

The outlook for this region from June 2022 to January 2023 is based on the following assumptions, in addition to the national assumptions outlined previously:

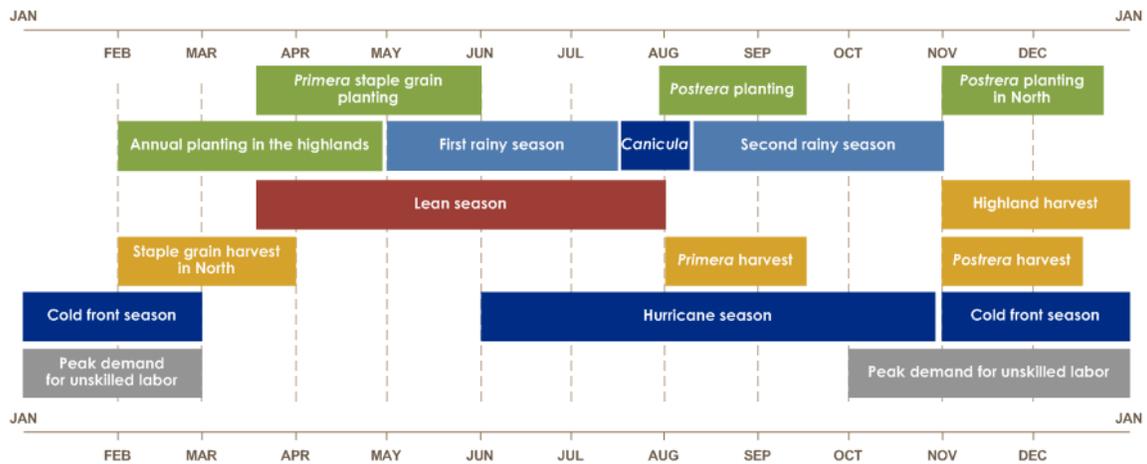
- Demand for labor among melon growers — one of the main sources of agricultural employment during the year — will be lower than usual due to high fertilizer and pesticide costs.

### *Most Likely Food Security Outcomes*

Crop areas for both commercial producers and subsistence farmers have been reduced by high fertilizer prices, which has had an impact on the availability of employment for households that rely on agricultural labor. This is during a period when households must buy their food from the market, and this year, this dependence began prematurely. International economic trade dynamics have caused food prices in the country to increase significantly. In addition, prices in the communities are higher than in major markets due to high transportation costs.

The combination of these increases and lower incomes has forced households to reduce the quality and quantity of food in their diets. In addition, they have stepped up the use of unsustainable coping strategies, such as engaging in atypical migration, cutting firewood, and reducing spending on health and education, even to the point of taking children out of school. As a result, households will be in Crisis (IPC Phase 3) until the *primera* harvest. In the second period covered by this outlook, the coffee harvest will begin and more employment will be available for households. This will result in a seasonal improvement in their income that will allow them to increase their purchasing power, improve their diets, and reduce their use of the most critical coping strategies. Staple grain harvests are expected to improve producer household reserves and cause prices to drop, although they will still remain above the five-year average. This seasonal improvement will allow this zone to be classified as Stressed (IPC Phase 2) until January 2023.

**SEASONAL CALENDAR FOR A TYPICAL YEAR**



Source: FEWS NET

FEWS NET: Guatemala Food Security Outlook June 2022 to January 2023: Seasonal improvement in income limited by continued rise in rising prices of basic foodstuffs, 2022.

**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)