GUATEMALA
Food Security Outlook Update

December 2017

Gradual improvement in food security outcomes

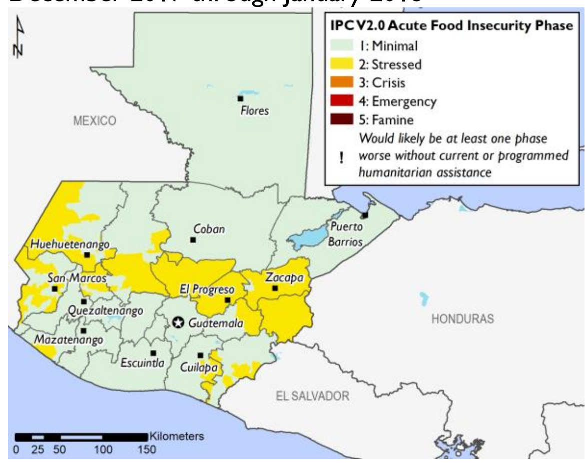
KEY MESSAGES

- Average harvests of staple crops in highland (*altiplano*) areas and for the *Postrera* growing season in the rest of the country will help improve food availability for staple-producing households through April/May. Food consumption by poor households will also improve with the beginning of the peak season for agricultural labor demand, which accounts for the largest share of annual household income.

- A seasonal increase in market supply of staple crops will help drive down prices in line with normal seasonal trends, strengthening household purchasing power and facilitating food access through at least March/April.

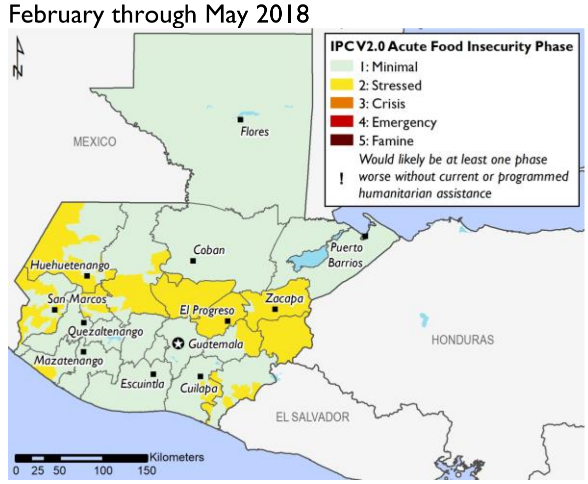
- Outstanding debts and losses of assets among very poor households in eastern and western areas of the Dry Corridor who have endured several consecutive years of poor or no staple production and limited income opportunities due to coffee rust have prevented these households from recovering a normal level of livelihoods resilience. These households will remain **Stressed (IPC Phase 2)** during the entire outlook period.

Figure 1. Estimated food security outcomes for December 2017 through January 2018



Source: *FEWS NET*

Figure 2. Estimated food security outcomes for February through May 2018



Source: *FEWS NET*

These maps show relevant *acute* food insecurity outcomes for emergency decision-making. They do not necessarily reflect *chronic* food insecurity. For more on this scale, visit: www.fews.net/IPC.

CURRENT SITUATION

- The harvest of *Postrera* crops in the east and the annual harvest in western Highland (*altiplano*) areas have been underway since November. Crop yields from both of these harvests are expected to be near-average, and above-average in localized areas. These expected outcomes would represent an improvement over the 2016 season, during which farmers experienced large losses due to the erratic rainfall distribution.

- The second growing season in surplus-producing areas of the Northern Transversal Strip and Petén got underway in November and is expected to conclude in February/March with near-average harvests, given that seasonal forecasts indicate above-average to average rainfall through March. This will enable households to replenish food reserves for consumption during the following months.

- In November 2017, farm-gate price trends for white maize were mixed compared with the previous month and year, but remained below the five-year average. Retail prices were up slightly from October 2017, and unchanged

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fews.guatemala@fews.net
www.fews.net

compared to 2016 and the average. Wholesale prices in Guatemala City were generally stable and 5.9 percent below the five-year average. The conclusion of the *Primera* season harvests and start of the *Postrera* growing season are behind these mixed price trends. This year's market glut of maize continues, fueled by informal imports from Mexico. Farm-gate prices for black beans are down from last month and last year due to a slight delay in the harvest for the *Postrera* growing season, with improved harvests as compared to last year. In most markets, prices are near the five-year average. Wholesale prices on the La Terminal market in Guatemala City are down from last year by 13.8 percent, but remain 11 percent above average. Meanwhile, retail prices remain stable.

- The coffee harvest is reaching its peak, as is typical in December and January. This has led to a seasonal increase in labor opportunities and incomes for very poor households. Households dependent on other labor-intensive crops such as sugar cane, melons, tobacco, and vegetable crops in livelihood zones GT06 and GT10 have also experienced a seasonal increase in incomes. There are no reports of any decline in the demand for labor compared with last year.

- According to monitoring data compiled by the Ministry of Food and Nutritional Security for "Thousand Day Window" programs (MONIMIL), 15 percent of monitored health facilities were closed in October 2017, which is a slight improvement over the 20 percent reportedly closed in July of the same year. Nevertheless, the closures represent a continuing problem limiting access to health care services for Guatemalan households. There was also some improvement in inventories of medical supplies and drugs compared with the previous monitoring period, though there are still large gaps in supplies of micronutrients and vaccines. The 50 percent shortfall in the supply of ready-to-use therapeutic foods (RUTFs) and the lack of epidemiological records in 27 percent of the monitored health facilities are hindering the treatment as well as the detection and reporting of established cases of acute malnutrition. The latter problem is contributing to the under-reporting of acute malnutrition by the Health Ministry, which reported a cumulative total of 11,889 cases in 2017 as of epidemiological week 48, 1,197 fewer cases than in the same week of 2016.

UPDATED ASSUMPTIONS

The assumptions used by FEWS NET as a basis for establishing the most likely food security scenario for October 2017 through May 2018 have not changed.

PROJECTED OUTLOOK THROUGH MAY 2018

The expected near-average outcome for the *Postrera* growing season and similar results from the harvest in the north will significantly improve food availability for staple-producing households compared with their situation during the last four years. Many of these households will have food reserves available through April/May. Average to above-average levels of staple production in surplus-producing areas will also boost supply on domestic markets, leading prices to follow a seasonal trend, with black bean prices decreasing through March and maize prices trending downwards through December, at which point they will stabilize at levels well below the five-year average through April. This will have positive implications for households who are virtually entirely dependent on market purchases for food access. Income from casual labor will also help improve the purchasing power of very poor households during an average season in terms of the level of demand with a near-normal daily wage, even in the coffee sector with a very similar demand for labor to last year. These activities and the cash income they generate will be of vital importance to landless households unable to grow crops.

Households in large parts of the country will experience **Minimal (IPC Phase 1)** acute food insecurity between now and the end of the outlook period in May 2018 with the improvement in their food availability and food access. However, most households in eastern and western areas of the Dry Corridor will remain **Stressed (IPC Phase 2)**. With improved performance of staple crops and a near-average peak season for labor, very poor households in these areas will see an improvement in their income-earning opportunities and food consumption. However, these households still trying to recover from the severe erosion in their coping capacity and livelihoods over the last four years will require several more growing seasons with average outcomes in order to make a full recovery.