

GUATEMALA Food Security Outlook Update

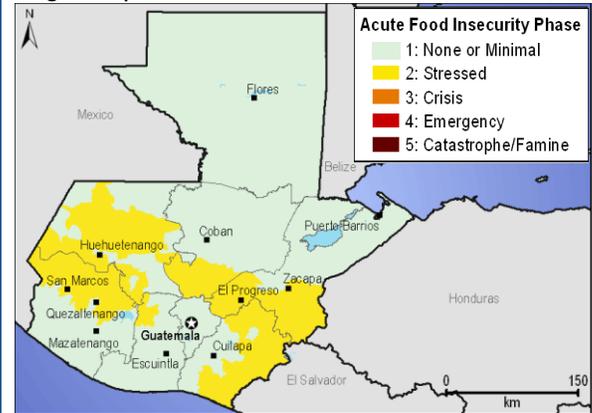
August 2012

Rainfall deficits affect subsistence crops, particularly in the dry corridor

Key messages

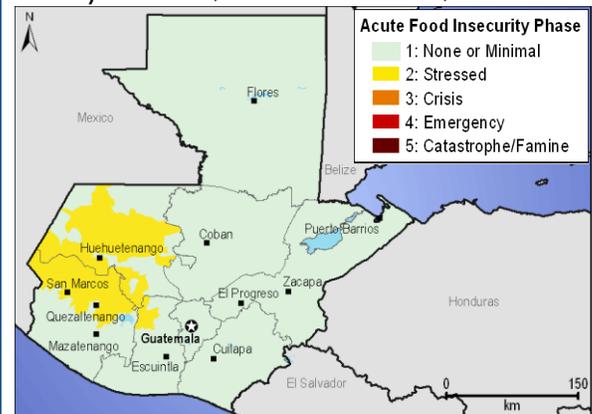
- Rainfall deficits in July affected basic grain crops in numerous departments of the eastern and central regions of the country, as well as in some departments of the western region. According to preliminary data from the Ministry of Agriculture (MAGA) for eight departments, crop losses at the departmental level as of August 22 totaled 16,718 hectares for maize and 1,755 hectares for beans. Field visits by FEWS NET, WFP, and MAGA to departments in the east indicate that some subsistence farmers have reported losses of up to 97 percent of their bean crops. These losses will decrease availability at the household level, with the greatest impacts in early 2013; losses will not, however, impact the national supply, since areas of the country enjoying excess production were not significantly affected.
- The success of *postrera* crops is extremely important in terms of improving the food situation of affected households in the eastern region, where the extent of crop losses was greatest. In addition, the harvest in this area is especially important as a source of beans to supply the national market. Accordingly, weather conditions should be carefully monitored over the coming months, and particularly at the conclusion of the rainy season, which is projected to take place some two weeks earlier than usual.
- The expected El Niño phenomenon is likely to unfold over the latter months of the year, which will lead to lower than normal rainfall in the area along the Pacific coast, higher than normal levels for the northern and Caribbean regions, and levels within normal ranges for the rest of the country. The hurricane season will not conclude until November, as a result of which the potential for an impact, either direct or indirect, caused by a tropical storm cannot be ruled out.

Figure 1. Current acute food insecurity outcomes, August-September, 2012



Source: FEWS NET

Figure 2. Most likely scenario for acute food security outcomes, October-December, 2012



Source: FEWS NET

For more information on the FEWS NET Scale of Food Insecurity Severity, please visit: www.fews.net/FoodInsecurityScale.

Food security outlook update through December 2012

Although rainfall was lower than normal throughout virtually the entire country during the month of July, actual drought conditions were notable in certain departments of the eastern region (Jalapa, Zacapa, El Progreso, Santa Rosa and the western portion of Chiquimula), the central region (Guatemala, Sacatepéquez, Chimaltenango, and Baja Verapaz) and the western region (Sololá, and the southern portions of Quiché and Huehuetenango), all of which experienced more than 21 days of zero precipitation. This lack of rain, combined with the presence of crop pests and diseases, led to the loss of maize and bean crops in these areas. According to preliminary estimates published by the Ministry of Agriculture for eight departments, as of August 22 crop losses at the departmental level totaled 16,718 hectares in the case of maize and 1,755

This report is an update of the Food Security Outlook published in July 2012 by FEWS NET, which provides a food security outlook through December 2012. The next Outlook Report will be published in October and will cover the period from October 2012 to March 2013.

hectares of beans (Figure 3). However, a field visit to departments in the eastern region made by representatives of FEWS NET and the WFP, with assistance from the Ministry of Agriculture, indicates the existence of subsistence farmers who report losses in their maize crops ranging from 69 to 93 percent, and from 74 to 97 percent in the case of beans, with departments in Chiquimula recording the greatest losses, while departments in Jutiapa suffered the least amount of damage.

With support provided by the WFP, the government has made plans to deliver some 2,358 MT of food aid, which will provide some 14,900 families with a food supply for one month. It is expected that this will satisfy these families' most urgent needs, such that they will subsequently be able to hire out their unskilled labor and so generate income that can be used to purchase food. In addition, the government plans to distribute maize, bean and sorghum seeds to producers farming fertile land using irrigation, in order to ensure the production of these grains and in so doing guarantee supply to the national market. However, in order to obtain the resources necessary to respond to the worsening of the food insecurity situation projected for early 2013, Guatemala's National Coordinator for Disaster Mitigation (*Coordinadora Nacional para la Reducción a Desastres*, or CONRED) will soon convene a meeting of the Scientific Council to provide the basis for declaring, and subsequently recommending, a State of Emergency, which would then lead to a request for international assistance.

Despite accumulated rainfall within normal ranges during the first two weeks of August, with the exception of a few localized areas this rainfall will not improve the situation of any already drought-damaged crops. Soil conditions, however, could improve for the *postrera* season, which will begin soon.

On the other hand, sugar cane and coffee growth was not significantly affected by the drought conditions, although reports have been received of isolated hail in Jutiapa, which damaged some fruit crops, such as *jocote* (hog plum), and a number of coffee plantations. As a result, the income received by the poorest population groups in these areas from the sale of this fruit and the hiring out of their unskilled labor for coffee bean picking will decrease. These households will accordingly be required to seek other employment options, going so far as migrating to nearby areas or even to areas to which they normally do not travel in search of employment opportunities.

Figure 3. Summary of damage from drought, as of August 22, 2012

Departamento	No Municipio	Familias Afectadas	Extensión Dañada (Has)	Extensión Perdida (Has)
Jutiapa	17	nd	10,377	3,282
El Progreso	8	5,732	3,945	2,801
Chiquimula	8	5,803	4,712	2,914
Baja Verapaz	8	16,540	11,370	7,744
Zacapa	4	2,960	1,480	617
Santa Rosa	5	352	250	211
Quiché	3	891	456	406
San Marcos	1	25	10	3
Huehuetenango	5	6,629	761	496
Total	59	38,932	33,360	18,473

Source: MAGA

The outlook update for tropical storm activity in the Atlantic coast region during this season, prepared by the Colorado State University Department of Atmospheric Sciences and published on August 3, calls for a slight increase over the projections made in early June, although conditions remain favorable for a less active season than was observed in the past two years. At present, none of the tropical storms that have formed over the Atlantic and the Eastern Pacific have had any significant impact on Guatemala. Nevertheless, the hurricane season does not conclude until November, and as a result there still exists the possibility that a tropical storm could impact the country, either directly or indirectly. Accordingly, recommendations call for following up on all information put out by the weather service regarding this matter.

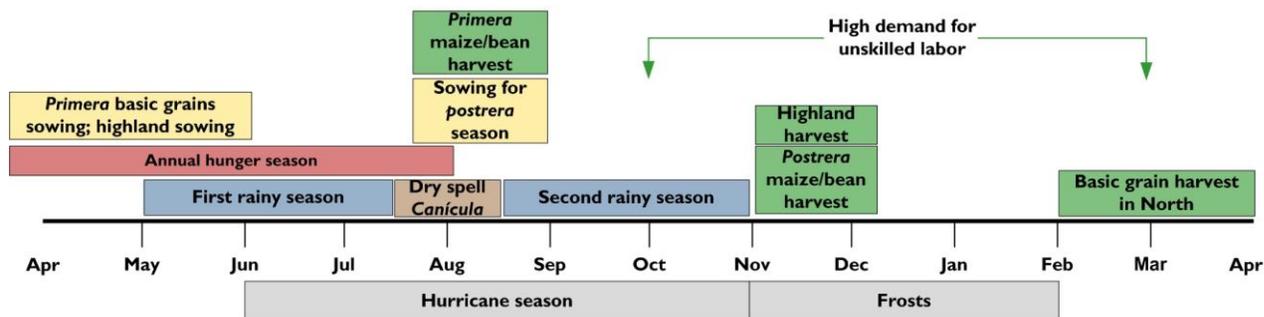
In July, the wholesale price of maize registered an increase of seven percent over the previous month, although it is still 31 percent lower than that the price prevailing in July 2011. On the other hand, the price of black beans recorded an increase that was only two percent over the figure for June 2012, but almost four percent over the price in effect in July 2011. Variations between months are seasonal in nature, and are attributable to the supply of stored grain and to the increase in the demand of the poorest households, which currently depend entirely on purchased food. Small amounts of beans and maize are currently available in the national market, particularly in the La Terminal market located in Guatemala City. In the case of beans, supplies come from the *primera* harvest in the eastern region, while the supply of maize comes from Nueva Concepción, in the southern region of the country. This means that next month the price of these grains will begin its seasonal decrease, which will benefit population groups currently dependent on purchases to obtain basic grains. The losses suffered by these subsistence crops are not expected to have any significant impact on price over the coming months, since areas characterized by excess production were not significantly affected by the shortfall of rain.

Given all the above variables in play, it is expected that the *primera* harvest (involving primarily maize) for affected households in the eastern region of the country will be small or nonexistent. As a result, these households will continue to rely on maize purchases until the harvest of the ensuing *primera* crop, in 2013. Since the *postrera* crop cycle involves primarily beans, households will be able to reduce their dependence on purchases of this grain at the conclusion of this period. However, their income-generating opportunities will improve with the onset of the season of high demand for labor to help pick coffee beans, cut sugar cane and harvest other crops. Although for the remaining months of the year these households will have some reserves and will in addition see an improvement in their purchasing power, they will face a critical situation in the initial months of 2013, because (a) their food reserves will be exhausted earlier than usual, which will lead to an earlier than usual start of the annual lean season; and (b) a portion of the income obtained during the following months will go to paying off debt taken on to rent land for farming, which this year they will be unable to pay off with a portion of the harvest.

In the western region of the country, there are a number of areas that continue to report losses to their maize and bean crops. Households in this area will not experience a significant impact from this situation until the latter months of the year, when they had planned to harvest their basic grain crops. At present, their situation is similar to that prevailing in previous years, when they will be forced to hire out as day laborers in order to generate sufficient cash to purchase food. It is expected that the overall demand for labor will hold true to projections. As is the case with households in the eastern region, the critical lean season will begin earlier than usual next year.

The classification of households established in the food security outlook report for July through December remains unchanged.

Seasonal calendar and critical events



Source: FEWS NET