

HAITI Food Security Outlook

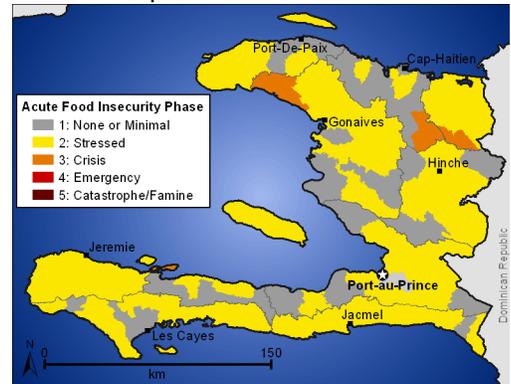
April through September 2011

In April and May 2011, FEWS NET is transitioning its classification system from the FEWS NET Food Insecurity Severity Scale to the Integrated Food Security Phase Classification's (IPC) Household-based Acute Food Insecurity Reference Table, which is scheduled for release with IPC version 2 in July 2011. For more information see: www.fews.net/FoodInsecurityScale.

Key Messages

- Last year's disasters are still hurting the food security situation. Many markets around the country are reporting dwindling supplies of local food crops. The ranks of the food insecure are growing in areas like the Northwest and the western tip of the Southern peninsula.
- Though prices for imported foodstuffs are relatively stable, in general, current price levels are still higher than at the same time last year. The sole exception is rice, whose price is falling. On the other hand, prices for locally grown crops are rising on most markets and increases in oil prices will only sharpen this trend.
- This year's spring growing season got off to a late start. The rains, which generally come by the end of March, did not begin until the middle of April in certain departments such as the Southeast, the Northeast, the West, and the Northwest. Moreover, the high cost of labor since the beginning of the cholera outbreak and high cost of certain farm inputs due to the withdrawal of certain stakeholders could mean smaller areas planted in crops for this growing season.
- With this year's long lean season, increases in oil prices, the high prices of certain staple foods, and the surge in new cholera cases, very poor and poor households in the Northwest (Baie de Henne, Mole Saint-Nicolas, and Bombardopolis), the Port-au-Prince metropolitan area, Grand' Anse, and a number of municipalities in the Southeastern (Belle-Anse and Grand Gosier), and Northeastern departments will be classified as experiencing Stressed (IPC Phase 2) or Crisis (IPC Phase 3) food insecurity conditions between April and June. Good harvests of spring crops could turn the situation around between July and September, however, the hurricane season could further undermine the food security situation, were the country to be hit by a storm.

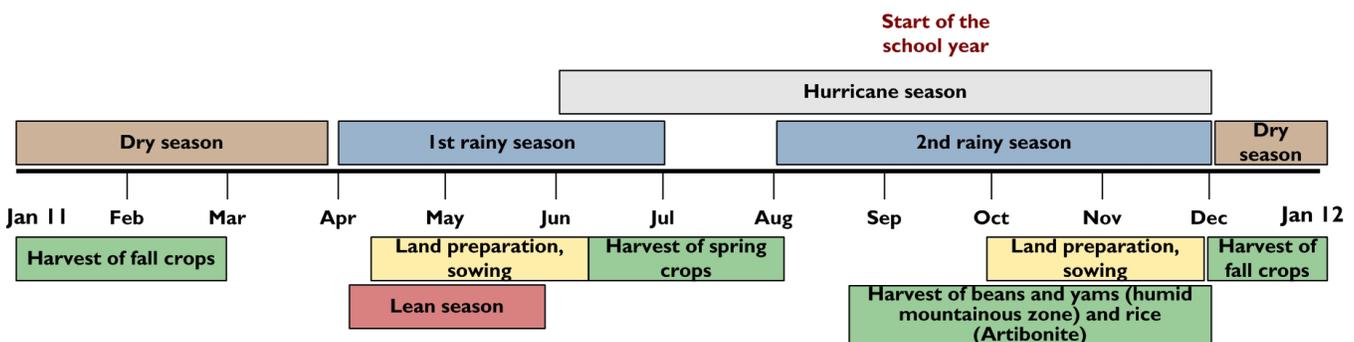
Figure 1. Current estimated food security outcomes, April 2011



Source: FEWS NET

For more information on the IPC Acute Food Insecurity Reference Table, please see: www.fews.net/FoodInsecurityScale

Seasonal calendar and timeline of critical events



Source: FEWS NET

Most likely food security scenario for April through September 2011

The assumptions outlined in the last outlook report centered on the expected deterioration in food security conditions due, in part, to the disputed elections and the violent demonstrations triggered by the results of the first round of the election process. The announcement of the results of the second round of voting, though challenged in many cases, was met with only localized protests. Furthermore, food prices, which had been approaching record April 2008 levels, have stabilized. The price of rice, which is one of the most popular grains for human consumption, is trending downwards. With the cholera outbreak continuing to wind down, the population is gaining a renewed sense of confidence.

However, the new sense of calm since the announcement of the final election results has not completely dispelled the qualms of economic actors. With the unemployment rate estimated at around 60 percent of the working population, the creation of stable employment is a prerequisite for any sustainable reduction in the ranks of the food insecure. Thus, both the public and private sectors need to invest in the creation of stable jobs. The current government has still not received the budgetary aid it was relying on for the implementation of projects scheduled for this fiscal year.

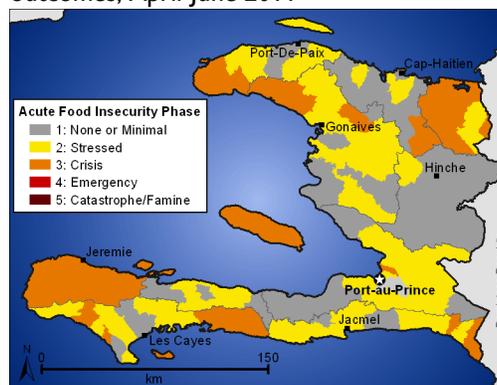
The private business community is, obviously, going to wait for the new government to clarify its main policy guidelines before rushing into making any new investments. Based on recent past experience, the formation of the new government is not expected to be completed anytime before the end of June. The combination of this and other factors (new civil security threats, for example) could affect household food security conditions.

The three-month period from April through June coincides with the main lean season across the country, characterized by sharp drops in the levels of household food reserves. Reserves are lower than usual due to the poor harvest for the winter growing season. Moreover, the country's banana and breadfruit tree plantations were devastated by Hurricane Thomas. As a result, markets in most parts of the country have much larger supplies of imports than locally grown crops. However, after rising in January and February, prices for imported grain remained stable or decreased in March and early April. For example, imported rice selling for between 132 and 180 gourdes per six-pound sack on major markets around the country in January and February is currently selling for between 110 and 150 gourdes. On the other hand, prices for certain local crops (red beans) are stable, while prices for other local crops (black beans) are rising. Current price levels are not significantly different from 2005 and 2007 prices.

The rise in domestic oil prices is contributing to the erosion in household income. Transportation costs have risen by as much as 30 percent. The government had been subsidizing petroleum products since 2010, but ended these subsidies as a result of budget problems. Thus, there is every indication that the current upward trend in prices will continue due to the steady rise in oil prices on the international market and the difficulty for the new government to maintain these subsidies without substantial budgetary aid.

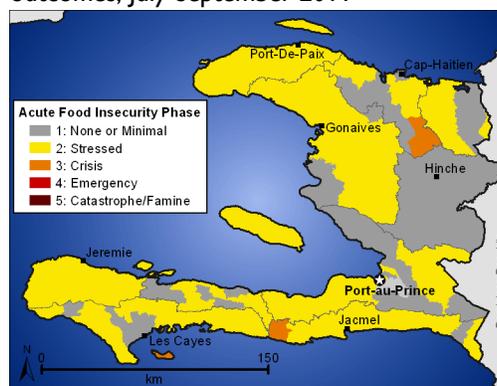
As of mid-April, the spring growing season, which generally begins by the end of March, had still not started up in many parts of the country due to unfavorable weather conditions. However, regular rainfall on the Southern peninsula, the lower Central Plateau, and in certain municipalities in the Northern department has spurred planting activities in these areas. Farmers are looking at higher prices for certain inputs such as seeds and labor. This year, donor organizations helping to keep farmers supplied with seeds have cut back their seed aid by 50 percent compared with last year. The Ministry of Agriculture is still subsidizing the price of fertilizer, but available market supplies are smaller than anytime in the past two years.

Figure 2. Most likely food security outcomes, April-June 2011



Source: FEWS NET

Figure 3. Most likely food security outcomes, July-September 2011



Source: FEWS NET

For more information on the IPC Acute Food Insecurity Reference Table, please see: www.fews.net/FoodInsecurityScale

After peaking in November and December of last year, the cholera epidemic has been steadily winding down. As of March 28th, there were 270,000 reported cases of cholera, including 4,700 fatalities. However, with the beginning of the rainy season, experts are worried about a new surge in cholera rates, particularly in remote rainy mountain areas and the internally displaced person (IDP) camps set up after the earthquake. There are already reports of an increase in new cholera cases on the Central Plateau where the rainy season starts especially early (by sometime in February), in certain municipalities such as Cerca Carvajal, Belladère, and Lascahobas and along the border between Cerca-la-Source and Thomassique. However, by now, the Haitian people are well aware of the problem and better versed in the types of steps to take to protect themselves against the possible spread of the disease.

Adding to these possible aggravating factors in food insecurity problems is the approaching hurricane season, which runs from June 1st through November 30th in the Atlantic basin and which is expected to be an extremely active one, producing an above-average number of storms, hurricanes, and major hurricanes. The University of Colorado is predicting a total of 16 hurricanes, compared to an average of 11, and five major hurricanes, compared to an average of two, for this coming season. With the current level of environmental degradation in all parts of the country, even moderately heavy rains could cause serious harm to human lives and property. In general, hurricanes damage farm infrastructure, cut roads, destroy homes, and cause damage with lasting consequences for the lives of local residents.

However, most of the country has been getting below-normal rainfall since March and is already more than 30 days into a drought period, which is delaying the planting of crops in affected areas. The International Research Institute (IRI) for Climate and Society is predicting 30 percent below-normal rainfall for the first half of the year.

Compounding this problem are the effects of last year's disasters, which are still weighing heavily on the Haitian population, forcing more than 600,000 residents of the Western and Southeastern departments to live in tents. Many victims of the cholera epidemic, the earthquake, and Hurricane Thomas have still not rebuilt their livelihoods which were destroyed by these disasters. The presence of numerous humanitarian organizations in different departments has helped mitigate this problem to some extent. Food-for-work and cash-for-work programs are helping large numbers of households find temporary employment in which they are able to earn a daily wage of 200 gourdes. The food security situation in all departments is steadily deteriorating, with the highest levels of food insecurity reported on the Northwestern peninsula, in the Port-au-Prince metropolitan area, and on the tip of the Southern peninsula.

These findings are the basis for the following assumptions:

- Farmers will plant smaller areas in crops for the spring growing season due to increases in production costs attributable mainly to the higher cost of labor and inputs.
- Ongoing reconstruction programs in areas affected by the earthquake will create a higher than usual demand for labor in these areas throughout the outlook period. This conclusion has led country officials to estimate the economic growth rate for 2011 at around nine percent.
- According to weather forecasts, flooding levels in May in the lowland areas of the Artibonite, Western, Northern, and Southern departments and the Port-au-Prince metropolitan area should be more or less average, affecting no more than 10 percent of the area planted.
- There could be a new surge in cholera rates with the beginning of the rainy season in April/May. However, continuing public information and awareness-raising activities, the strengthening of treatment programs, and the pre-positioning of supplies, particularly in the most vulnerable areas, could lower the risk of a new cholera outbreak.
- With the elimination of government subsidies for petroleum products whose world market prices are steadily rising, domestic oil prices are also expected to continue to rise, driving up the price of food and transportation.
- Falling international market prices for grain in general, and rice in particular, have already lowered the domestic market price of rice. Rises in fuel costs and small harvests of local crops could stabilize the prices of certain imports and increase the price of locally grown crops.
- Based on weather forecasts, the IRI is putting the probability of below-normal, normal, and above-normal rainfall for the outlook period at 33 percent in each case. According to predictions by the University of Colorado released in April of this year, the hurricane season (from June through November) is still expected to be an active one, with a heightened probability of close to double the average number of storms, hurricanes, and major hurricanes.
- With the Easter holidays, households will be spending more on food, which should be good for business and should benefit farmers. The beginning of the school year in September will mean large expenses for parents of

schoolchildren. This time of year is also the high season for businesses such as transportation services, which are a source of employment for the poor.

The food insecure population will be larger than usual, peaking in April/May, when household food reserves are at their lowest levels. There should be a major improvement in food security conditions between July and September with the harvesting of spring crops, though conditions will still be poorer than usual for that time of year. The socioeconomic fallout from the cholera outbreak and Hurricane Thomas and the high cost of labor and farm inputs are liable to scale back production, curtailing food availability. The operation of food-for-work programs in rural areas, the increase in rural-urban migration, and the cholera outbreak are all contributing factors in increasing the cost of labor.

Port-au-Prince metropolitan area

The Port-au-Prince metropolitan area is preparing itself for the rainy season, which is expected to begin sometime in April. Residents of camps and shantytowns are especially vulnerable to heavy downpours and ensuing flooding problems. Approximately half the estimated 1.3 million people displaced by the earthquake have since returned to their homes or are living in temporary shelters. Some 600,000 people are still living in tents or make-shift shelters in campsites, where scattered pools of water and piles of garbage promoting the spread of pathogens and disease vectors will only further exacerbate the already poor sanitary conditions of these camps.

However, the entire metropolitan area has been very quiet. Contrary to predictions, the announcement of the results of the March 20th elections triggered no disputes inciting any disturbances of the peace. There was no repetition of last December's violent demonstrations causing wage earners and informal sector entrepreneurs and their workers to miss work. However, the rise in fuel prices at the pump caused public unrest well before the announcement of the election results. The public transit workers' union organized a two-day strike which was observed by only part of its members. The rise in fuel prices was followed by a hike of approximately 30 percent in the cost of public transit.

In contrast to trends in oil prices, which are up by an average of 16 percent, after rising in January and February, prices for most foodstuffs have since stabilized. However, they are still higher than at the same time last year, when prices skyrocketed in the aftermath of the earthquake. The average price of rice, the grain favored by most residents of the Port-au-Prince metropolitan area, has been falling. After climbing from 125 to 150 gourdes per six-pound sack in January of this year, the price of rice in all major local marketplaces currently stands at 110 gourdes. In contrast, prices for black beans, bananas, and tubers are rising.

The drop in the price of rice has helped improve living conditions for the poor since January of this year. However, a comparison against the findings of the baseline study of livelihoods in poor districts of the Port-au-Prince metropolitan area conducted by FEWS NET in April and May of 2009 in conjunction with the CNSA shows a deterioration in the situation of poor households. As part of the study process, FEWS NET tracks the monthly income and expenditures of poor households in shantytown areas of Port-au-Prince. Expenditures are divided into three categories, namely necessary food expenditures for survival, basic non-food expenditures, and expenditures for the protection of household livelihoods. Potential income is calculated as an average of the potential daily income generated by the main sources of income for this group of poor households, namely small businesses, street vending, unskilled laborer, and motorcycle taxi services.

The cost of the "minimum survival" food basket for the poor rose from 5,781 gourdes in April of 2009 to 5,811 gourdes as of March of 2011, while the number of days of work required to afford this food basket went from 22 days in April of 2009 to 27 days in March of 2011. At the same time, the potential income of poor households dropped from 12,000 gourdes in April of 2009 to 11,240 gourdes as of March of this year due to the slowdown in the economy in the aftermath of the earthquake.

Humanitarian organizations are playing an important role in the operation of mitigation programs for the poor, who are benefiting from the temporary jobs created by food and cash-for-work programs. With the minimum wage in the Port-au-Prince metropolitan area set by law and tending to remain stable and the steady rise in the price of certain staple foods, shocks such as increases in oil prices or a new outbreak of cholera will only further weaken living conditions for poor households. The multiple effects of these shocks will tend to erode household income. An increase in oil prices will drive up the cost of transportation, for example.

Flooding problems could destroy household assets and increase the incidence of certain diseases. These shocks could also undermine the ability of these households to secure needed resources for their subsistence. Reactions to the effects of

these shocks will vary according to their form and intensity. In reaction to a rise in staple food and oil prices, households will cut out nonessential spending, take to walking long distances, and look to buy poorer quality foods. They will also try to get more days of work, which will not be easy. The employment opportunities afforded by ongoing construction projects cannot keep pace with the enormous demand for work. As a result, these households will require food aid. Most poor households will experience Stressed (IPC Phase 2) food insecurity conditions between April and June.

If harvests are good, there should be an improvement in the food security situation of poor households in the Port-au-Prince metropolitan area between July and September. This is the country's main harvest season. However, the current problems faced by farmers are likely to scale back crop production. Prices are expected to be slightly higher than usual, driven up by increases in oil prices and transportation costs. With the beginning of the school year, parents of schoolchildren will need to pay tuition costs. This period also coincides with the height of the hurricane season. The poor are extremely vulnerable to all these shocks, whose materialization could preclude any improvement in their food security situation. As a result, they may require food aid.

Western tip of the Southern peninsula

The western tip of the Southern peninsula encompasses a number of municipalities in the country's Southern and Grand' Anse departments. Local residents are engaged in a variety of different activities, but their main livelihoods are farming, raising livestock, and fishing. According to the assessment of damage in November of last year, Hurricane Thomas destroyed as much as 30 percent of local crops. Food crops such as yams, bananas, and breadfruit, which make up a large part of the household diet, were largely destroyed. Fishing tackle and equipment suffered heavy damage. More than 10,000 head of livestock were killed by raging floodwaters. There has been a clear deterioration in the food security situation in this area, particularly on the Grand' Anse side of the peninsula, where the size of the food insecure population has grown considerably. Poor households in certain municipalities such as Moron are in a state of Crisis (IPC Phase 3) food insecurity, but the majority of the area is experiencing Stressed (IPC Phase 2) food insecurity conditions.

The spring growing season, which got underway with the early March rains, is looking good. Land preparation and planting activities are already in progress. However, farmers are facing two major problems: a shortage of seeds and the comparatively high cost of labor. (These high wage rates are an added expense for farmers, without really enabling farm laborers to meet their food needs.) In general, markets are well stocked with imports. The isolation of this area from the rest of the country impedes the circulation of goods and services. Grand' Anse is one of the areas with the highest food prices. For example, imported rice selling for 115 gourdes in Port-au-Prince on March 23rd cost 156 gourdes in Jérémie on that same date. Fields destroyed by Hurricane Thomas are just now starting to recover. The earliest possible harvest of bananas, breadfruits, and yams would be in late July. The effects of Hurricane Thomas will continue to make themselves felt throughout the outlook period.

Very poor and poor households account for more than two thirds of the population of this area. This group of households normally purchases 40 to 50 percent of its food supplies on the market. Thus, movements in prices will directly affect very poor and poor households. After the damage caused by Hurricane Thomas, 75 percent of market supplies are made up of imports, which is very unusual in this part of the country, which is a major food crop-producing area. Residents of the peninsula will be forced to purchase imported crops to meet their food needs between April and June. However, with current fluctuations in world market prices for fuel and their effect on gas prices at the pump, prices are expected to climb or, at the very least, stabilize at very high levels. Moreover, the higher prices of farm inputs are forcing many farmers, particularly very poor farmers, to work smaller tracts of land and plant their fields later than usual.

Up until March, humanitarian organizations had been mounting food and cash-for-work programs in this area, employing hundreds of farm workers at a daily wage of 200 gourdes. While good for the workers, this is creating competition for farm labor, which is paid approximately 50 percent less than the wage offered by the humanitarian agencies. Very poor and poor households will be experiencing Crisis (IPC Phase 3) food insecurity conditions between April and June. However, harvests of spring crops should improve conditions between July and September, causing households to experience Stressed (IPC Phase 2) food insecurity conditions.

Northwest

The Northwestern peninsula, also referred to as the Far West, is known as a drought-prone area with an extremely degraded environment and harsh living conditions for the local population. The Northwestern peninsula suffered through a long period of drought in the first quarter of this year. The water deficit forced farmers to miss the winter growing season. The only good harvests were in the municipality of Jean Rabel. The spring season, which should have gotten underway by

the beginning of March, appears to be in jeopardy, with farmers prevented from planting their fields until the middle of April. There are growing numbers of food insecure households, particularly in the municipalities of Baie de Henne, Bombardopolism, and Anse-Rouge. Very poor and poor households hard hit by the drought in most municipalities are currently experiencing Stressed (IPC Phase 2) food insecurity conditions, with those in Baie de Henne and Anse-Rouge already experiencing Crisis (IPC Phase 3) food insecurity conditions.

Markets are well stocked, though mostly with imported foodstuffs. Rising prices are approaching 2008 levels, the year of the hunger strike. However, the cash-for-work programs mounted by international organizations such as the United Nations Development Programme (UNDP) and the World Food Programme (WFP) in conjunction with the Ministry of Agriculture have created temporary jobs for hundreds of poor workers, giving them access to food and services. Still, a large percentage of poor households are not getting enough to eat and are under stress.

The current drought is threatening local livelihoods. Members of poor households earn approximately two thirds of their income from gainful employment as laborers and another 10 percent from the production and sale of charcoal. The remainder comes from raising livestock, particularly small animals, and growing crops such as cassava and grain. The developing drought in this area, a possible new outbreak of cholera during the rainy season in the Artibonite Valley (an important destination for migrant workers from the Northwest), and the rise in fuel prices are all factors liable to disrupt farming activities, particularly those of very poor households. These households will be coping with high food prices, leading them to resort to negative survival strategies such as the selling of young animals or the uncontrolled cutting of trees. As a result, the poor will find themselves in Crisis (IPC Phase 3) food insecurity conditions between April and June. However, better food availability with harvests of spring crops should improve conditions for very poor and poor households in most of this area between July and September. Thus, households in Anse-Rouge and Baie de Henne classified as experiencing Crisis (IPC Phase 3) food insecurity conditions between April and June should experience Stressed (IPC Phase 2) food insecurity conditions between July and September.

Table 1. Less likely events over the next six months that could change the above scenario

Area	Event	Effects on food security
Nationwide	The country is struck by a hurricane, causing damage to crops.	Difficulty maintaining food availability in local markets.
Nationwide	The new government is formed by May and creates an environment which inspires confidence.	Economic actors take advantage of the situation to make investments, which help create stable employment.
The Artibonite and Northwestern Departments	Cholera rates in the Artibonite Valley spike at November 2010 levels.	Farm laborers from the Northwest stay away from the Artibonite Valley, resulting in the planting of smaller areas in rice.