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FAMINE EARLY WARNING SYSTEMS NETWORK

HAITI Food Security Outlook N° 21: Food Security Update

April through September 2009

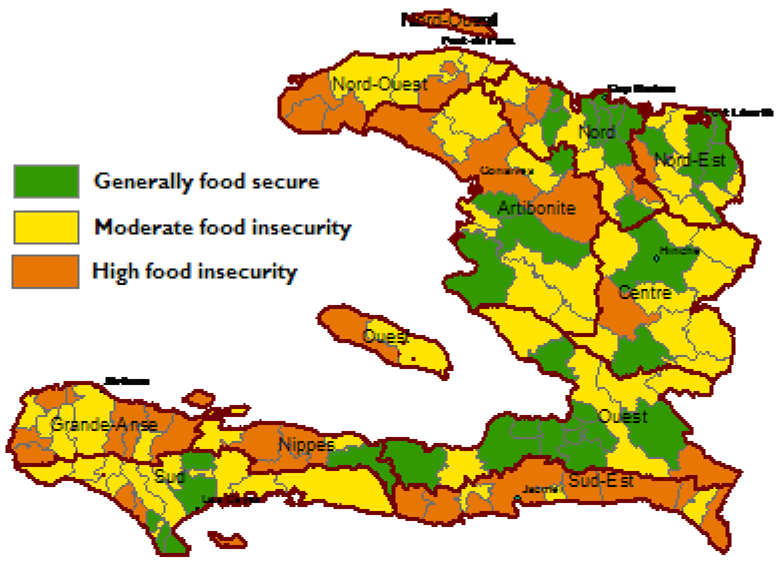
Executive summary

- Currently, staple food prices and transportation costs are comparatively low as a result of positive trends in supply and demand on the world market and the good February/March harvest in Haiti. This helped cut the inflation rate from 5.9 percent in February to a mere 1 percent in March. As a result, the estimated size of the food-insecure population shrank from 2.8 million in February to 2.4 million, or by roughly 14 percent. Despite this improvement in food security conditions, parts of the Artibonite, the Northwest, the Southeast, Nippes, and Grand' Anse, and urban slum areas are still moderately or highly food-insecure due to the heavy damage caused by last year's hurricanes and the serious effects of poverty.

- The variables examined as part of the prospective study of the food security outlook for the next two quarters include staple food and oil prices, expected rainfall between April and July, hurricane activity between June and November, employment, emergency programs, and migrant remittances. According to the study, there should be very little change in food insecurity levels between April and the end of June. The size of the food-insecure population is expected to grow to 2.5 million between July and September, but could be much larger in the event of major hurricane damage.

- This food security outlook includes a number of suggestions for the Haitian government and its partners (donors, United Nations agencies, civil society, NGOs, etc.), including but not limited to: (1) the implementation of existing sector-wide contingency plans, better coordination of emergency response programs, and the pre-positioning of resources earmarked for the upcoming hurricane season; (2) the acceleration of drain-clearing works in high-risk cities; (3) the implementation and strengthening of household resilience-building and vulnerability-reducing programs; and (4) the extension of emergency response programs.

Figure 1. Current food security assessment (April 2009 and April/June 2009).



Note : The zones are not homogeneous and contiguous communes such as Kensoff (West) and Marigot (Southwest) are green and orange. Pockets of high food insecurity may exist in communes generally considered food secure.

For more information about the FEWS NET Food Insecurity Severity Scale, see: www.fews.net/FoodInsecurityScale
Source: CNSA/FEWS NET

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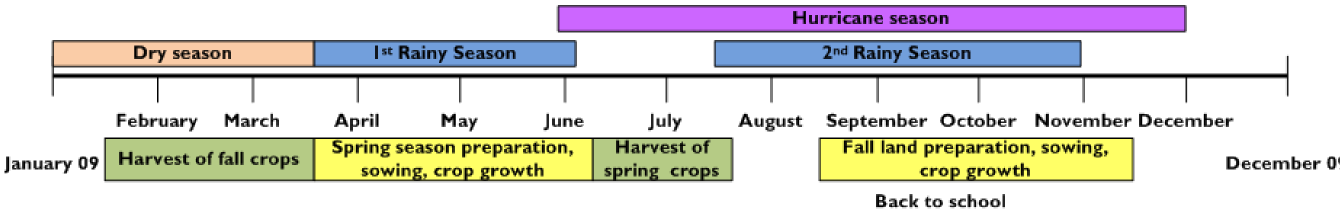
USAID DU PEUPLE AMERICAIN | European Union | FAO | World Food Program WFP Programme Alimentaire Mondial

Seasonal calendar and timeline of critical events



Source: CNSA/FEWS NET

Current food security situation

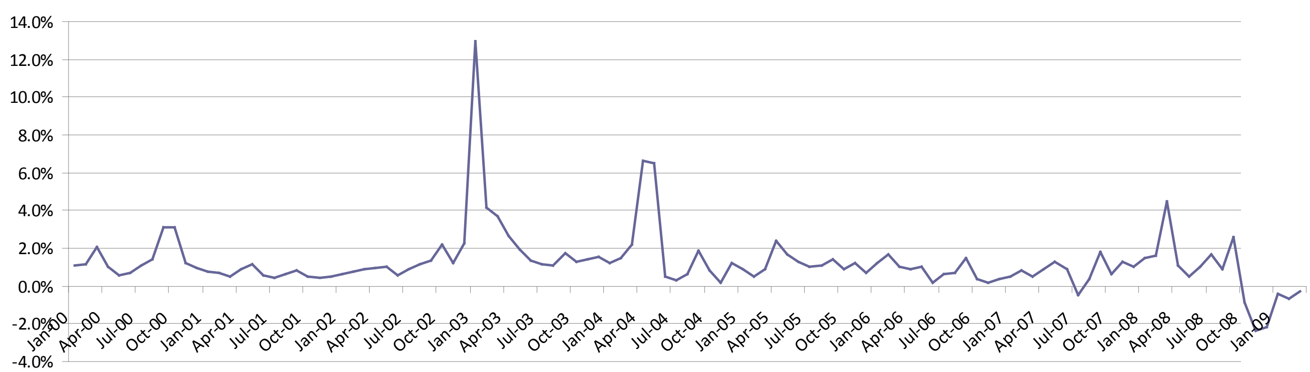
Prices for staple food items such as rice, wheat, corn, cooking oil, and sugar are leveling off and, in some cases, even falling slightly as a result of positive trends in supply and demand on the world market and the good February/March harvest. These favorable trends include higher cropping levels and larger market inventories in 2008/09 compared with 2007/08 and deceleration in the rate of growth in grain demand for use in meat production in major emerging countries such as China and India with the world-wide recession. However, there could be reductions in cropping area planted in 2009/10, and certain grain-producing countries could again restrict grain exports. However, these developments should not have any major short-term effects on international prices.

In Haiti, harvests of winter crops (the country's second most important growing season, accounting for roughly 30 percent of annual nationwide output) in February and March were reportedly good, particularly bean, vegetable, and rice harvests in the Artibonite Valley, where repair and expansion of irrigation systems dramatically increased the area planted from approximately 36,000 to some 42,000 hectares.

These harvests drove down prices for major local food crops, whose lower shipping costs made them more affordable as crude oil prices on the world market stabilized or declined. All these factors helped significantly slow inflation in Haiti, whose inflation rate fell from 5.9 percent in February to a mere 1 percent in March (see Figure 2). The country has not seen annual inflation rates as low as these in the past twenty years. Lower food prices and inflation are improving food access for poor rural and urban households largely dependent on local markets for their food supplies, thereby strengthening their food security. As a result, this year's hunger season, running from April to May, should be comparatively mild.

However, some 2.4 million Haitians are still moderately or highly food-insecure in spite of these positive developments. The hardest hit departments are the Artibonite, the Northwest, the Southeast and, in particular, Nippes, and Grand Anse (which include many remote areas), along with poor urban communities.

Figure 2. Monthly fluctuations in the inflation rate.



Source: Bank of the Republic of Haiti

Food security outlook

The main variables serving as basis for the most likely food security scenario for April through September of this year are:

1) Stability and downward trends in grain and oil prices, which should keep the inflation rate comparatively low;
2) The July harvest, which may receive low rainfall totals according to current forecasts, particularly in chronically water-short areas such as the Northwest, Gonâve Island, and certain parts of the Central, Nippes, Northwestern, and Southeastern areas;
3) The hurricane season from June through November with average hurricane activity according to preliminary forecasts. This still means severe damage to the southern peninsula, which is the country's most disaster-prone area;
4) Employment, which is not expected to decline thanks to certain donor or government-financed labor-intensive drain-clearing, riverbank and watershed protection, and road repair programs which are scheduled to be extended and, in some cases, stepped up);
5) Civil security conditions, which should also steadily improve; and
6) Migrant remittances, which are not expected to fall off significantly.

Trends in these variables were studied specifically from the standpoint of their potential impact on the June/July harvest, income, food access, the condition of infrastructure, and malnutrition. However, it was difficult to evaluate the impact of the last variable due to the dearth of information in this area.

April through June 2009

The two quarters (April through June and July through September) in the outlook period from April through September of this year were examined separately due to the greater accuracy of forecasts for the first of these two periods. In the opinion of the various experts consulted and according to the analysis of data collected in this connection, food security conditions should remain relatively stable between April and the end of June. Trends in grain supply and demand on the world market are expected to remain unchanged, and farmers should begin harvesting their spring crops by the end of June. In fact, the spring season is Haiti's most important growing season, accounting for 40 to 60 percent of total annual crop production. Moreover, ongoing mango harvests in certain parts of the country have been helping to boost income levels and food supplies during the hunger season between the winter and spring harvest.

Figure 2. Most likely food security scenario, April-September 2009

Figure 2-A. Most likely scenario, particularly for the beginning of the period from April through June 2009

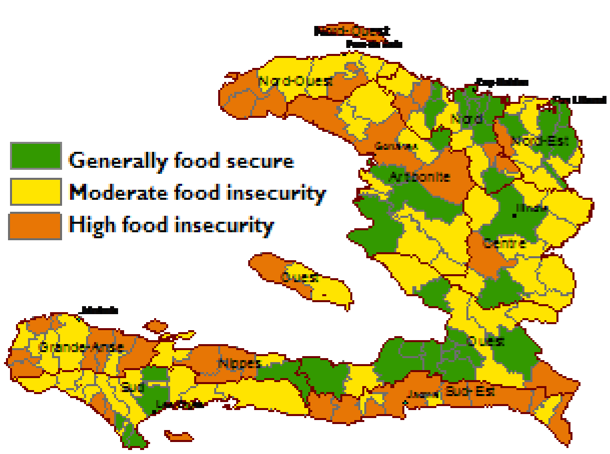
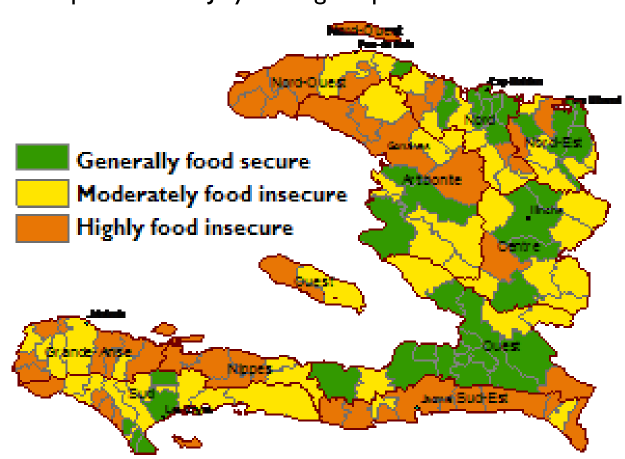


Figure 2-B. Most likely scenario, particularly for the end of the period from July through September 2009



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Source: CNSA/FEWS NET

July through September 2009

Even with an improvement in food availability in July and August with the spring harvest, projected trends in the variables serving as basis for the most likely food security scenario could trigger higher levels of food insecurity towards the end of September. The main causes of this deterioration in food security conditions are expected poor crop performance in semi-arid areas and likely damage from hurricane activity, particularly to the southern peninsula.

At the same time, the size of the moderately and extremely food-insecure population would jump back up to 2.5 million (see Figure 2-B). Though slightly above current estimates, this figure would still be 11 percent under the figure of 2.8 million released at the end of the first quarter of this year. The hardest-hit households would be poor households in certain parts of the Artibonite, Northwestern, and Southeastern areas, and remote areas of Nippes and Grand Anse departments.

Certain municipalities could see improvements in their food supplies and in the movement of their crops as certain previously isolated areas become more accessible with repairs to existing roads and the building of new roads (such as the Port au Prince-Mirebalais-Hinche road). Moreover, the nationwide spring harvest could be better than last year thanks to a larger availability of farm inputs (seeds, fertilizer, etc.), which are being distributed under different programs mounted by the Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR), the FAO, the Inter-American Institute for Cooperation on Agriculture (IICA), the Center for International Studies and Cooperation (CECI), and various NGOs after last year's food crisis and hurricanes. They are used primarily in areas with the best farming potential such as irrigated areas of the Artibonite Valley, Nippes, and the Western and Southern parts of the country. At least at the nationwide level, they could mitigate the negative effects of the water shortages expected to mar the current growing season but which have not yet materialized.

Only the most likely scenario is presented in this outlook to better examine corresponding forecasts and their consequences. However, more optimistic (for example, adequate rainfall) and more pessimistic scenarios and other potentially significant variables or scenarios (such as a possible deterioration in civil security conditions or mounting political instability) are outlined in Table 2.

Table 1. Assumptions in the most likely scenario for April through September 2009

Variables	Assumptions and expected effects on food security	Validity
Trends in oil prices, major food prices, and inflation	- Prices for oil and major imported foodstuffs will remain stable and relatively low. - World-wide crop production and inventories for 2008/09 will be comparatively larger than in 2007/08. - The global economic crisis will slow the rate of growth in demand for grain (for use in stepping up meat production) and oil in emerging countries like China and India. The main beneficiaries of current food prices are urban dwellers and the poorest rural households, who depend on the market for their food supplies. Since food and transportation costs (which are tied to oil prices) account for over 60 percent of the cost of the housewife's "shopping basket," the inflation rate should stay under 10 percent.	April through September (good margin of confidence through July)
Spring harvest (April-July)	The country is expected to have an average nationwide spring harvest despite poor crop performance in major drought-prone areas. According to specialized agencies (NOAA,* IRI), rainfall conditions in April through July are expected to be below-normal towards the end of the season, which will mean low crop yields, particularly in semi-arid areas of the Northwest, the Artibonite, the Northeast, Gonâve Island, the Central Plateau, and the Southeast. However, at the country level, the rainfall deficit (which, as of the end of April, had still not materialized) could be offset by the expansion in irrigated farming areas in response to last year's hurricanes. A larger availability of seeds and fertilizer could also help mitigate the effects of the expected water shortage.	April through July

Seasonal hurricane activity	Official NOAA forecasts for the 2009 hurricane season will be released sometime in May. However, experts are expecting more or less average hurricane activity during this year's hurricane season, which means that Haiti will probably not see any tropical storms or hurricanes of the same magnitude as last year. However, given the country's high degree of vulnerability, even minor storms (of which there will be no shortage) will mean heavy physical damage and human casualties in certain areas. With the country's recent experience and the progress made in the area of risk and disaster management, any preventive and mitigation measures taken this year will be implemented more rapidly and more effectively than ever before.	June through September
Employment	The baseline scenario assumes that the employment rate will remain stable at worst. The main positive factors helping to boost employment are the increase in cropping levels (farming is the main source of employment for the rural poor), the start-up of new road works, and the promise by donors at the April 14th meeting to provide Haiti with US$ 353 million in aid over the next 18 months. The main constraint tightening the supply of casual employment is the phase-out of recovery programs mounted in response to last year's hurricanes (repairs of irrigation systems, riverbank protection works, clean-up programs in the city of Gonaïves, etc.)	April through September
Migrant remittances	The assumption is that migrant remittances will remain stable, the level of which showed virtually no change between the first quarter of 2008 and 2009, despite the recession in the United States. The official value of these remittances is more or less equivalent to Haiti's gross domestic agricultural product. The fact that the United States is planning to grant undocumented Haitian immigrants temporary legal immigration status should help sustain the current flow of migrant remittances. Moreover, the large sums of money expended in the country and the extra money left with the families of the many Haitians spending their summer vacations back home are not reflected in any macroeconomic indicators. However, education costs, only part of which are covered by migrant remittances, will temporarily heighten food insecurity problems in September, particularly for poor and middle-income households.	April through September

*NOAA: National Oceanographic and Atmospheric Administration

Table 2. Events liable to affect food security forecasts.

Area in question	Events liable to change the established scenario	Effects on food security	Probability level**	Indicators to be monitored
Nationwide, particularly southern peninsula	A more active than usual hurricane season	Heavy damage (flooding, road closings, etc.), particularly to the southern peninsula and coastal cities such as Gonaïves	Unlikely	- Existence of contingency plans for hurricanes; - Quality of these plans (coordination, etc.)
Nationwide, particularly the southern peninsula	Coordinated, appropriate, rapid, emergency response programs to deal with hurricane damage	Food security conditions would not deteriorate to the same extent as last year, even in the event of violent hurricanes.	Unlikely since, thus far, progress in this area has been extremely slow	- Rapid damage assessment mechanisms; - Efficacy of response measures
Nationwide	Fresh outbreak of violence as the results of the partial senatorial elections are contested	Mounting political instability, disruption in domestic trade, and sharp reduction in investment	Likely	- Acts of violence, particularly as part of demonstrations -Disruption of Senate proceedings
Nationwide	Continued contraction in bank credit	Private investment would stagnate, with very little new job creation.	Likely	- Volume of bank credit

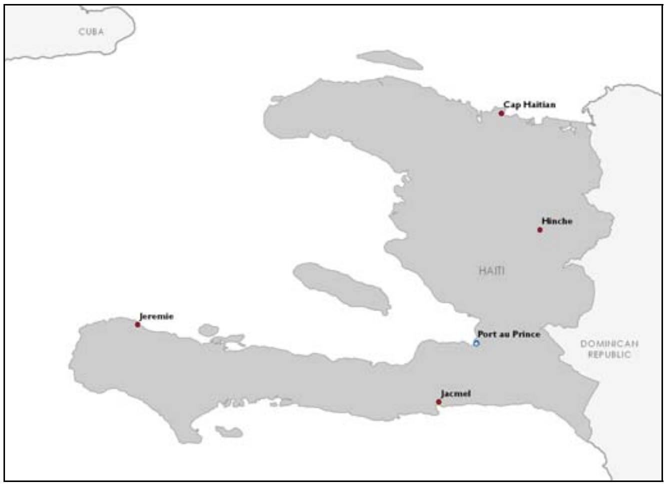
** Probability level	Description
Likely	Likely to materialize during the period in question under current conditions
Unlikely	Could materialize during the period in question with a moderate change in current conditions
Highly unlikely	Could materialize during the period in question with a major change in current conditions

Recommendations

The following recommendations to the government, donors, United Nations agencies, NGOs, civil society, and trade associations are based on the findings by the prospective study:

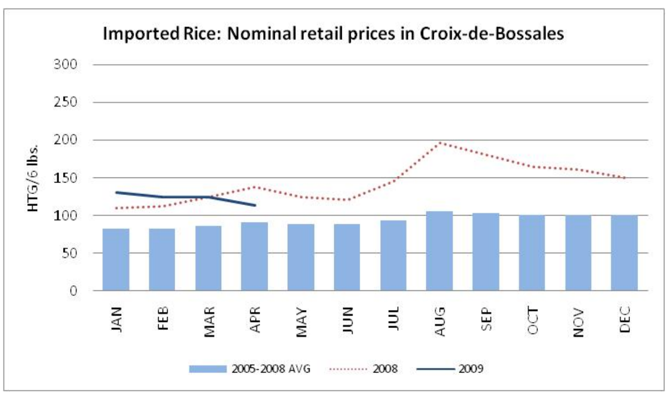
Table 3. Breakdown of recommendations by program area and institutional stakeholders involved

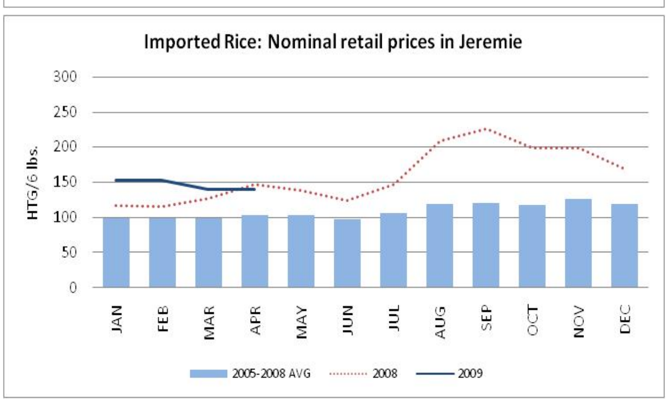
Program area	Activities	Institutional stakeholders
Agriculture and environment	Complement emergency response programs with the funding and implementation of programs designed to reduce Haiti's vulnerability to different types of disasters and build public resilience (watershed protection, reforestation, slope correction along riverbanks, relocation of residents of disaster-prone areas, poverty reduction)	MICT/DPC/ MTPTC, MPCE/MARNDR/MDE/donors, United Nations agencies, civil society, NGOs Suggested leaders: MARNDR and UNDP
Water supply and sanitation	Speed up drain-clearing works in disaster-prone cities (Gonaïves, Cayes, etc.)	MTPTC, MSPP, MDE, city governments, UNICEF, IOM, CHF, and other NGOs Suggested leaders: MTPTC and city governments
Health and nutrition	Pre-position earmarked resources (food supplies, drinking water, clothing, medicine, sanitation kits, cleaning supplies and equipment, heavy machinery)	MICT/DPC, MTPTC, MSPP, MAS, UNICEF, WFP, civil society, and NGOs Suggested leaders: MSPP and UNICEF
Institution-building	Strengthen the operating capacity of the government and NGOs to develop a results-oriented culture. This could create new jobs and ease current socioeconomic and political tensions.	MEF, MPCE, MARNDR, MSPP, MDE, MTPTC, MICT, donors, United Nations agencies, civil society, and NGOs Suggested leader: Office of the Prime Minister
Coordination and synergy building	Consolidate and harmonize existing contingency plans as much as possible to better coordinate emergency response measures	MICT/DPC, MARNDR/CNSA, MDE, MTPTC, MSPP, WB, United Nations agencies, cooperation agencies, civil society, and NGOs Suggested leaders: Min Plan and UNDP
	Organize departmental forums to better identify and map pockets of acute food insecurity. The CNSA and FEWS NET are ready to help with this effort.	MPCE, MARNDR/CNSA, MICT/DPC, United Nations agencies, cooperation agencies, civil society, and NGOs Suggested leaders: DPC and CNSA

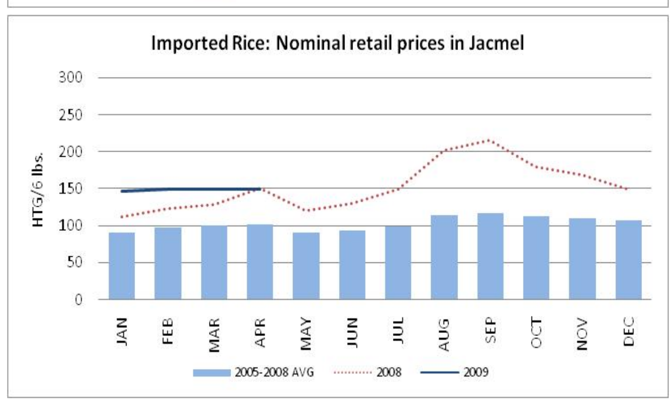


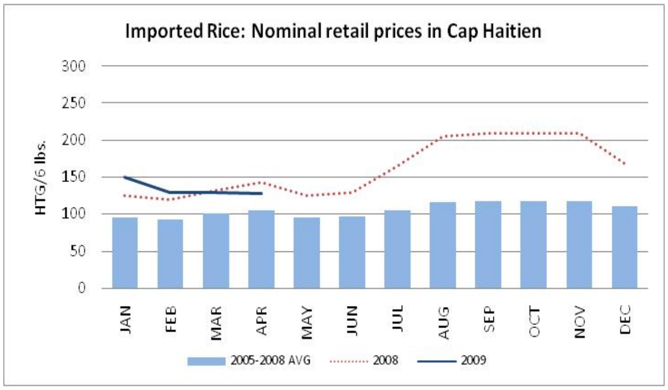
Monthly prices are supplied by the CNSA/FEWS NET market information system.

Rice, black beans, maize, and cooking oil are among the most important food items for poor and middle income households in Haiti. Roots and tubers are also important, but not currently monitored. All cooking oil is imported and rice imports account for about 80 percent of national needs. Large quantities of beans and maize are also imported, but over half of the national needs are domestically produced. Rice is consumed by even the poorest households, and imported rice is generally cheaper than locally produced rice. Croix de Bossales is the largest market in the country and is located in Port au Prince, where one-third of the country's population lives. Hinche, in the center of the country, is located in one of the most vulnerable areas. Jeremie is the farthest market from Port au Prince and Jacmel is located in the Southeast department, a department particularly exposed to cyclones and known for having the highest rates of malnutrition in the country.








Imported Rice: Nominal retail prices in Cap Haitien
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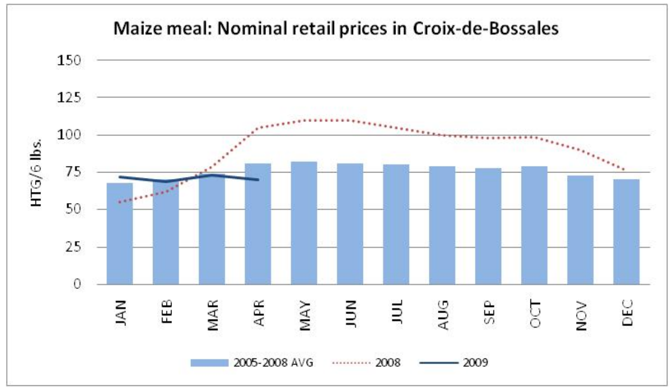
Maize meal: Nominal retail prices in Croix-de-Bossales
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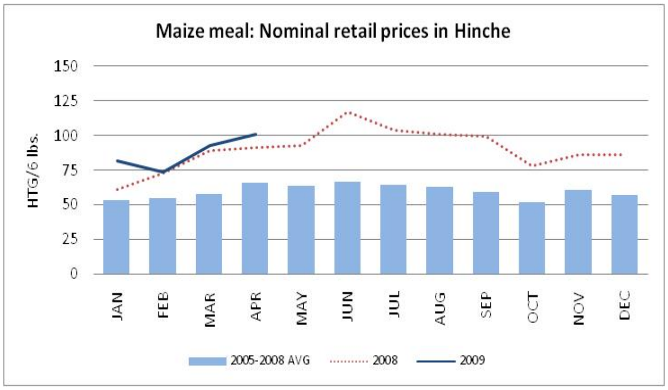
Maize meal: Nominal retail prices in Hinche
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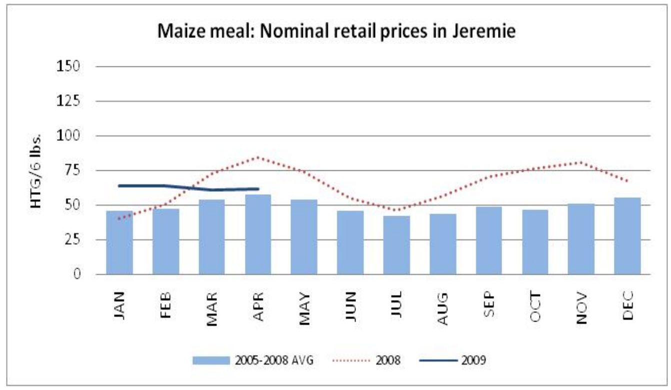
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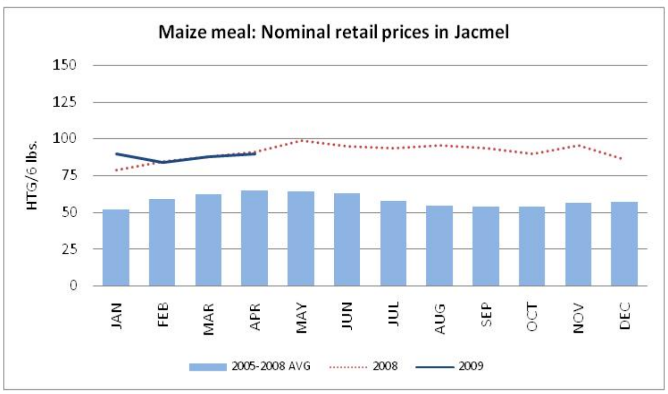
Maize meal: Nominal retail prices in Jacmel
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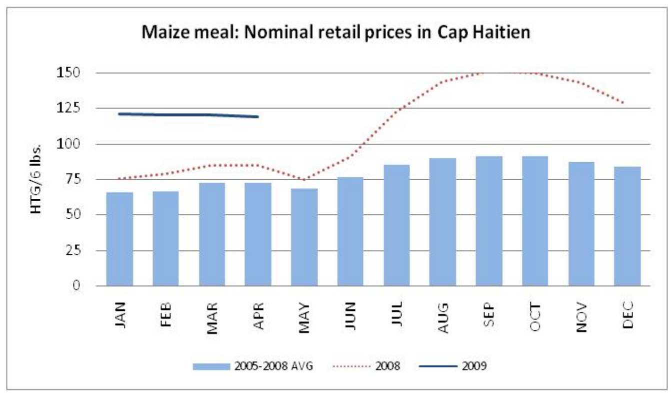
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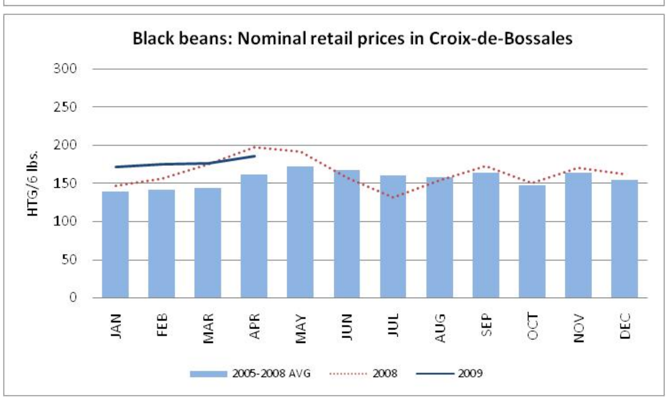
Black beans: Nominal retail prices in Croix-de-Bossales
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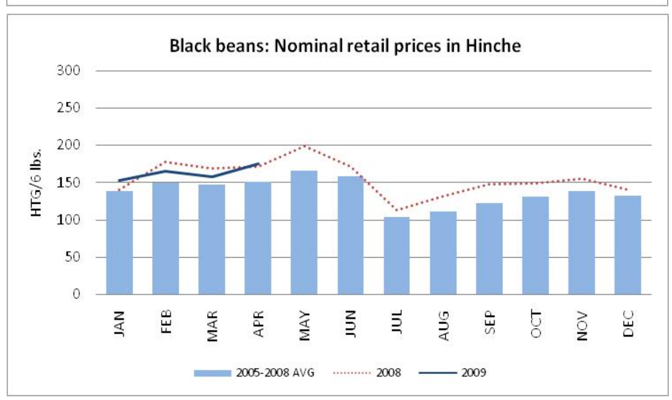
Black beans: Nominal retail prices in Hinche
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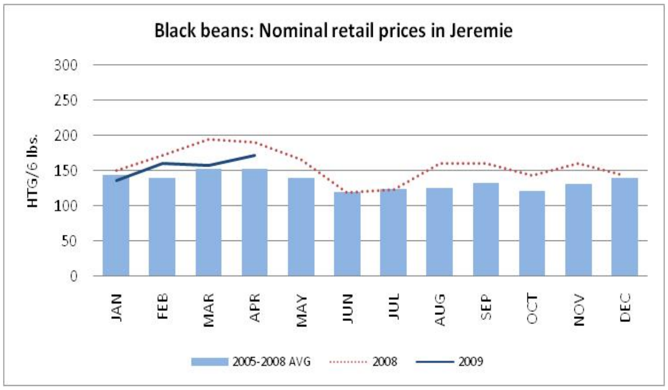
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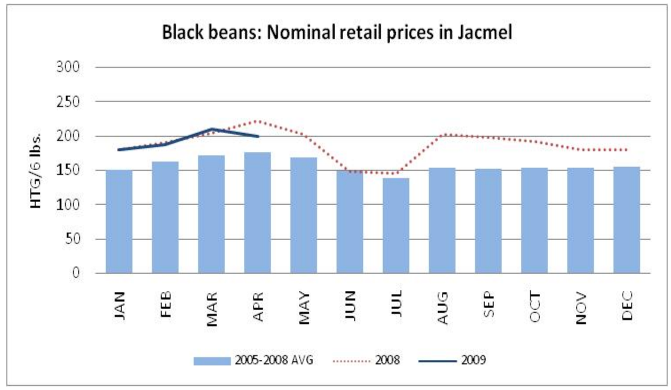
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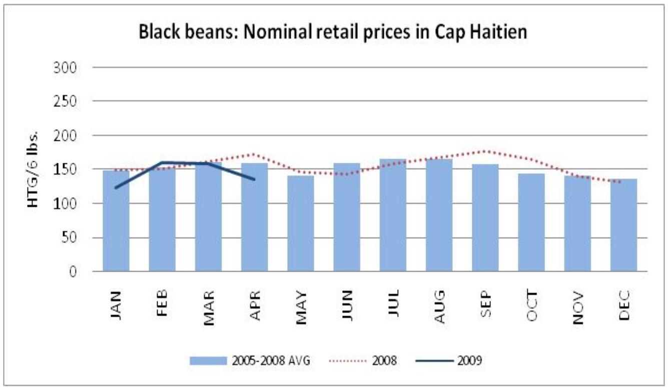
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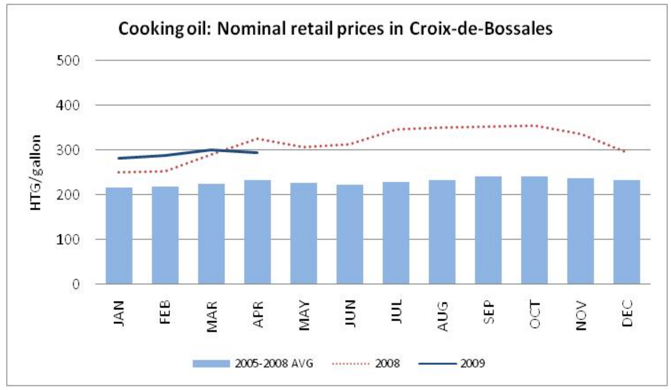
Cooking oil: Nominal retail prices in Croix-de-Bossales
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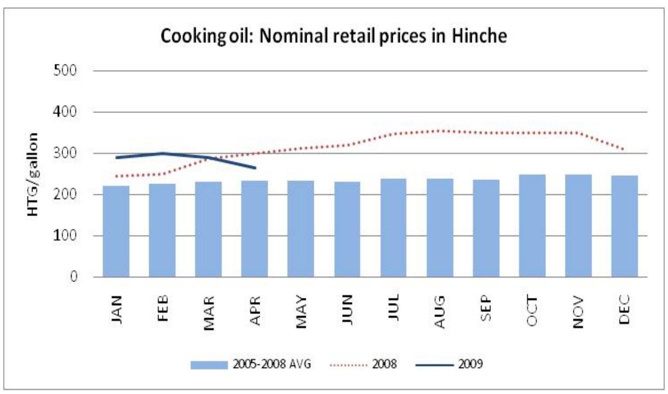
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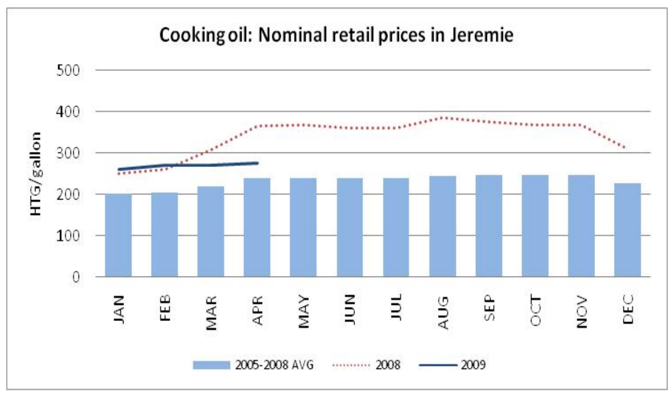
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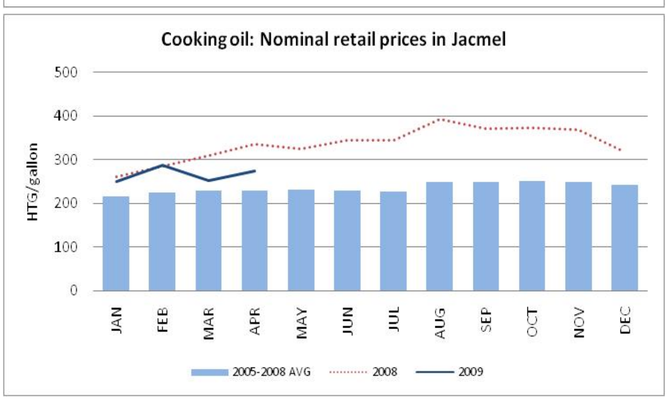
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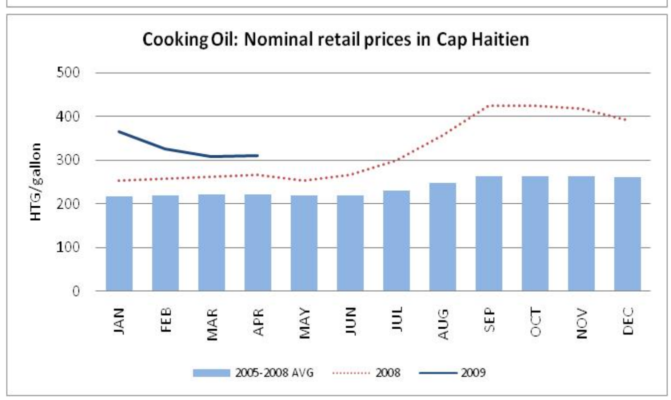
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