

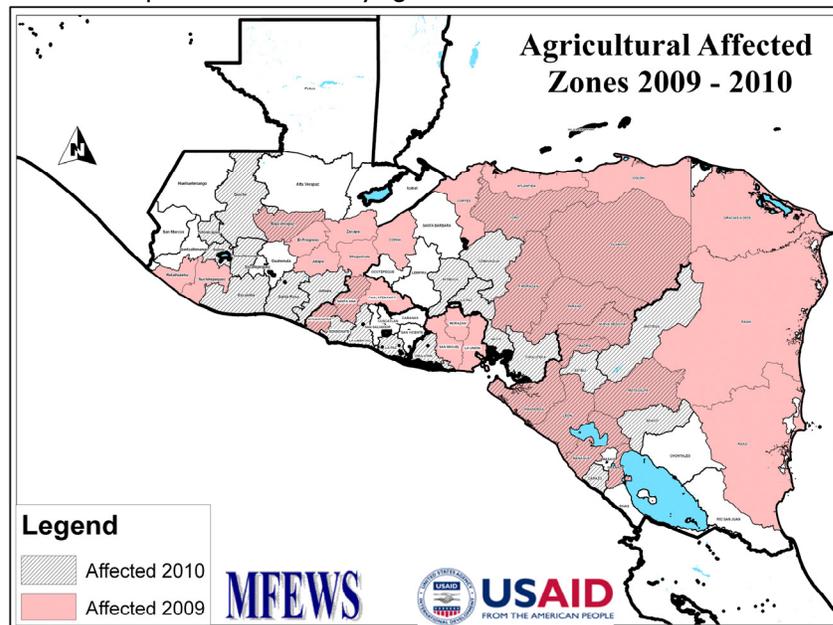
## CENTRAL AMERICA Executive Brief

January 7, 2011

### Regional food security context

- In 2009 drought led to below-average production in the dry corridor of eastern Guatemala, western and southern Honduras, and central Nicaragua.
- In Guatemala, 2010 heavy rains during the *primera* season (May-September) damaged crops and infrastructure. Damage to infrastructure due to extreme weather events temporarily hindered access to remote markets and increased transportation costs, leading to above-average food prices. The areas along both coastlines were the most affected, as were the highlands, which are prone to landslides. The 2010 *postrera* season was then affected by a drought, resulting in

**Table I.** Map of areas affected by agricultural losses in 2009 and 2010.



Source: USGS/MFEWS

speculation on bean markets. The two failed seasons have also diminished demand for agricultural labor particularly for cash crops (coffee, cardamom, sugar cane, etc.), which is the main, often exclusive, source of income for the very poor and poor.

- Red beans in Honduras, El Salvador, and Nicaragua and black beans in Guatemala are the most important staple, after maize, for the very poor and poor in the region. It is common for these households to purchase up to 50 percent of their food, and prices for beans, particularly red beans, were significantly above average throughout the region in December, this was mainly because the losses during 2010 due to climate events. Both the Honduran and El Salvador governments have intervened, with some success, to lower red bean prices for domestic consumers. However, the artificially low prices have encouraged exports to El Salvador, thus raising concerns about red bean availability in Honduras and Nicaragua later in the year. In Guatemala, prices of black beans are currently falling as bean harvests that began in November/December continue and finalize in February/March.
- A La Niña phenomenon, which is correlated with above-average rainfall in Central America, is forecast to continue through at least April 2011. As a result, the start of season in April-June is likely to be irregular, leading to below-average germination and above-average production costs due to re-sowing.
- Colorado State's December 2010 long-range forecast for the June-November 2011 Atlantic hurricane season projects another active season with 17 named storms, 9 hurricanes, and 5 major hurricanes, compared with the 1950-2000 averages of 9.6, 5.6, and 2.3, respectively.

### Humanitarian response needs

- In general, the slow recovery from poor 2009 production; the high prices of beans, particularly red beans in Nicaragua, El Salvador and Honduras; and the slightly below-average income-earning potential from agricultural labor will make regional food insecurity more acute than usual in 2011 in Nicaragua and Honduras. However, the situation is not likely to require drastic increases in food assistance compared to average.

- Food insecurity in **Guatemala**, though likely to be higher than average in 2011, is not expected to be as severe as during the 2001 crisis, in which drought-related production losses, combined with extremely low coffee prices (which nearly eliminated coffee labor demand, leading to a dramatic loss of labor income), resulted in severe food insecurity. This year's losses to labor income are not likely to exceed 20 percent. Furthermore, the areas most affected by poor harvests in 2010 (mainly the southern coastal areas and the western highlands) differ from those affected in 2009 (mainly the dry corridor).
- Poor and very poor households in **Guatemala** are currently meeting food needs either through negative coping strategies or food assistance. The Government of Guatemala estimates that approximately 96,000 households will require additional external food assistance in 2011. Comparing these needs to "average" is difficult given limited data on historical needs. In the western highlands, food assistance needs will begin in February (one month earlier than usual), as the period of peak agricultural labor demand ends. Needs will likely continue until at least October/November, when the main harvest begins. In other areas, notably Zacapa, Chiquimula, and El Progreso, food assistance will be needed between March and the *primera* harvest in August/September, with needs peaking in July.
- The most-affected areas of **Honduras** are in the southern and western parts of the country, though the impacts of poor 2010 harvests will affect bean availability and prices nationwide. Though bean prices have declined in recent months, they remain nearly twice as high as at this time last year. The government's recent effort to control bean prices has led to above-average exports of beans to El Salvador, and concerns that bean availability will be poor over the coming months. It is likely that the lean season will start earlier than normal in the southern departments of Honduras, including Gracias a Dios, Intibucá, Francisco Morazán, and La Paz.
- Due to the poor grain harvest and above-average prices for some key staples, heads of household in subsistence agriculture areas of north-central **Nicaragua** have migrated to coffee farms earlier than normal. However, since coffee production, and therefore labor demand, is expected to be average, this strategy is not likely to be effective in offsetting the impact of reduced production and purchasing power. Municipalities at greatest risk of food insecurity include San Juan de Limay, San Jose de Cusmapa, Totogalpa, Terrabona, Dario, Teustepe, and Waspam. It is likely that the lean season will start one to three months earlier than usual in these municipalities.
- Indicators of food insecurity are relatively less prominent in **El Salvador** than in the rest of the region. Though bean prices have been above average, the sale of government-subsidized beans on the markets resulted in a decrease in prices in December.