GUATEMALA: Due to low purchasing power, and at least one in five households using their savings, there is depletion of food stocks, difficulties in accessing markets mainly using their savings. In departments classified in Crisis (IPC Phase 3), labourers affected by the constraints resulting from the COVID-19 pandemic. The most vulnerable population are subsistence farming households in rural agricultural areas of the country. During this period, stocks of staple grains are depleted earlier than usual due to crop losses caused by storms, ETA and IOTA. Continued economic recovery would allow jobs to be recovered in both the informal and formal sectors to recover, and this increased income would improve households’ access to food.

Assumptions for the Projected Situation
For the projected situation, a scenario is presented in which, even if COVID-19 cases do not decrease substantially and vaccination progresses slowly, no additional restrictions will be imposed on economic activities and population movement. The climatic outlook is good for the establishment and development of postharvest crops. However, an active hurricane season is forecast, which could lead to heavy rains (tropical depressions, hurricanes) that would affect agricultural production and the livelihoods of the population. Basic grain prices are expected to remain high, so far this year, factors such as higher transport costs, higher fuel prices, higher international maize grain prices and droughts in other countries have influenced this behaviour. With the Primera harvests, prices are expected to stabilise but remain above the 5-year average. Transport service would remain irregular due to restrictions imposed under COVID-19, and the price would remain above average. Harvests of Primera and Postrema basic grains are expected to be in normal ranges, which will improve the availability of food for households. This period is the peak season for the hiring of seasonal agricultural labour. The various cash crops such as sugar, coffee, bananas, cardamom, vegetables and fruit trees would hire labour for several months. However, in some areas and for some products, hiring could be lower than usual as some producers are still recovering from the economic impact of COVID-19 and the damage caused by tropical storms ETA and IOTA. Continued economic recovery would allow jobs in both the informal and formal sectors to recover, and this increased income would improve households’ access to food.

PROJECTION: Acute Food Insecurity
September 2021 - January 2022
Around 2.5 million people are likely to experience high levels of acute food insecurity (IPC Phase 3 or above) in Guatemala between September 2021 and January 2022.

Key Drivers
COVID-19
The consequences of the COVID-19 pandemic in Guatemala in terms of mandatory mobility restrictions to limit transmission of the virus had a major impact on the country’s economy in 2020 and continue into 2021. However, the increase in cases and the slow progress in the vaccination process could once again lead to some restrictive measures, especially in those departments with red and orange alerts.

Increased food prices
The increase in the prices of the basic food basket, mainly basic grains, affects more than half of the population (57%) in accessing food through purchase, due to low purchasing power, presenting serious difficulties to sell their assets, and forcing them to use Crisis coping strategies to get food either by selling their assets (40%) or spending their savings (68%).

Loss of jobs and income
Mandatory restrictive measures in 2020 due to the COVID-19 pandemic led to job losses. Between May and August 2021, a slow recovery of the economy is expected, which in turn will lead to a recovery of employment and wages, and a revival of formal and informal economic activities.

Depletion of basic grain reserves
April through August corresponds to the so-called seasonal hunger period in rural agricultural areas of the country. During this period, stocks of staple grains are depleted, making households dependent on purchases when consumer prices are at their highest for the year, and the low demand for agricultural labour limits their purchasing power, impacting food consumption. Households in some departments saw their stocks of staple grains depleted earlier than usual due to crop losses caused by tropical storms ETA and IOTA in late 2020.