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CENTRAL AMERICA / HAITI Regional Report* January 2012

Early start to the lean season expected in localized areas of Central America; Food security mostly stable in Haiti following harvests

Key messages

- *Postrera* production of maize and beans at national levels was normal throughout the region, and will improve food availability through February. However, damages from Tropical Depression 12-E in October 2011 caused localized crop deficits, mostly for subsistence crops in the western Highlands of Guatemala, and *postrera* crops in southern and southwestern Honduras, the eastern, western, and Pacific Coast areas of El Salvador, and Nicaragua's dry corridor.

- Household food security in Guatemala, Honduras, El Salvador, and Nicaragua is expected to be mostly at Stressed (IPC Phase 2) levels at least during the Outlook period (through March 2012). However, household food stocks are expected to be depleted early in areas affected by the crop damages, leading to an early start to the lean season by one or two months in approximately February/March. Food security in these areas will likely deteriorate to Crisis (IPC Phase 3) levels.

- The La Niña phenomenon is likely to continue until spring 2012, which has the potential to cause irregular rains at the beginning of the *primera* season, which could affect crop development. Decreased *primera* production would particularly impact those who suffered damages from the tropical depression and whose food stocks are already compromised.

- In Haiti, food security will mostly remain stable through the Outlook period, sustained by harvests in the main productive areas and agricultural labor opportunities for the sorghum and bean harvests and the spring agricultural campaign. Although many regions will not experience acute food insecurity, localized areas in the south department, Northwest peninsula, Central Plateau, and northeast will face Stressed levels of food insecurity due to poor production. Some households in the southeast may face Crisis levels of food insecurity due to the impacts of very poor rainfall.

Food security outlook through March 2012

At the regional level, food availability has improved following *postrera* harvests, and stocks will generally last through at least February. High demand for seasonal unskilled labor throughout the region for crops such as coffee, sugar, watermelon and shrimp will continue to provide income for poor households through February/March, increasing access to food.

Food security in **Guatemala** is mostly stable following *postrera* harvests and the harvest in the Highlands. However, damages to subsistence crops in the western Highlands have led to localized deficits. The new government expects to deliver inputs for the *primera* season in April and to start to deliver fortified flour in affected areas.

In **Honduras**, though national-level production was not affected by the storm, more than 17,000 farmers in southern and southwestern areas of the country completely lost their crops following the tropical depression. According to reports from FAO and WFP, households in these areas had almost no remaining food reserves from the *primera* harvest at the time of the tropical depression and were expecting to replenish food stocks with *postrera* harvests. However, labor opportunities in the coffee sector have been better than average, which will boost incomes for labor-dependent households, including those in the affected southern and southwestern areas, during the peak labor demand period through March 2012.

In **Nicaragua**, although the tropical depression caused some damages to *postrera* crops, above-average area was planted

* Throughout January, FEWS NET has been in transition to a new five-year phase of the contract. As our staff focus on the administrative and logistical aspects of establishing new offices and mobilizing new staff, FEWS NET is producing abbreviated regional reports this month focusing on the key areas of concern. Regular reporting will resume in February with the publication of our Outlook reports.

and thus production is expected to be good, which will improve food availability at least through February. In addition, the *Apante* season for beans is underway, and an above-average harvest for that season is expected in February.

El Salvador was most affected by the damages from the tropical depression, although the Government of El Salvador has provided technical assistance to recover some of the damaged *postrera* crops. Imports are currently meeting food deficits. In the coffee sector, crop damage has also decreased labor opportunities. Deterioration in food insecurity is expected to begin in March/April for subsistence farmers that were unable to recover damaged crops, particularly in the west and coastal areas of the country. The Government of El Salvador has announced the intention to conduct early (March/April) distributions of seeds and fertilizer for the *primera* season.

Seasonal progress

The cold front/frosts season has been normal with minimal crop damage, though the season is expected to last one month longer than usual, until March 2012, according to the December 2011-March 2012 Central America Outlook Forum. Cold fronts can cause damage to vegetable crops in the highlands, particularly in Guatemala, which would affect food availability as well as wages related to this sector. Furthermore, according to the IRI forecast, La Niña conditions could last until spring 2012 and cause irregular rains through the beginning of the *primera* season throughout the region, which could potentially affect crop development.

Markets and trade

In Central America, prices for white maize were stable between November and December due to supplies from the *postrera* harvest and a slight improvement in supply from international exporters. In Guatemala, supplies of white maize from the *postrera* season and from the harvest in the Petén region of northern Guatemala have failed to bring prices down below last year's prices at La Terminal wholesale market in Guatemala City. Prices of white maize in both Nicaragua and El Salvador increased as the *postrera* season ended. In contrast, some white maize prices continued to decrease from November to December in Honduras, most likely due to the fact that *postrera* harvests surpassed expectations and weather-related losses were smaller than anticipated earlier in the season.

Bean prices marginally declined in several markets across Central America. Incoming supplies from the harvest in the Petén region of northern Guatemala caused a slight decline in the wholesale price at La Terminal wholesale market. In Nicaragua and El Salvador, supplies of red beans and Seda red beans from the *postrera* season have also led to a very slight decline in prices in both countries. In Honduras, red bean prices were relatively stable between November and December.

White maize and bean prices in the region are expected to remain relatively stable over the next few months as supplies from the *postrera* harvest continue to be available. Many rural households will depend on stocks from these harvests and will be well supplied without resorting to market purchases of maize, although subsistence farmers in areas affected by the tropical storm are expected to face an early start to the lean season. The slight easing of international maize prices may reduce pressure on prices, though the ability to import will remain constrained by relatively high prices and the somewhat tight stock situation on international markets.

Between late February and mid-March, the *apante* harvest in Nicaragua will add substantial supplies of beans to regional availability and put further downward pressure on both black and red bean prices. However, if the *apante* season does not fill all bean demand, imports may be relatively more expensive this year. While stock levels of dry beans in the U.S. are good, prices have increased over the past year due to a low area-planted in 2010 as competition from other, higher-value crops displaced plantings for beans. As Mexico had a disappointing harvest in 2010 and will import more beans than usual from the U.S., Canada, Nicaragua, and Argentina supplies will be relatively tight. Canada and China also had relatively disappointing years for dry beans due to competition for land from higher-value crops, so countries in Central America and the Caribbean that need to import beans will face higher prices from their usual international exporters.

Food Security in Haiti

Food security conditions are stable in most regions following September/October harvests of corn, beans, and rice, and ongoing harvests of yams, sorghum, and pigeon peas. Beans and corn planted in irrigated areas in December will be harvested in February and March. Most markets are well stocked with locally produced foods. However, the winter rainfed bean harvest will be below average in many areas, including the Northwest peninsula, the North, Northeast, and South, due to low availability of fertilizer and seeds, and below-normal rainfall in December.

In the main markets, the prices of both imported and locally-produced staples have been relatively stable. One of the drivers of stability in the imported rice prices is that an increasing number of companies involved in the market chain for imported rice may be stimulating competition in that sector. As rice prices are likely to decline in the international market, the price on local markets is likely to decline as well. Rice is among the most important food items for poor and middle income households. Prices for maize flour and black beans were also relatively stable though black beans continued to increase slightly in Jérémie and Port-au-Prince.

Overall, food security will remain stable through the Outlook period, sustained by harvests in the main productive areas and agricultural labor opportunities for the sorghum and bean harvests and for the spring agricultural campaign. Although many regions in the Grand'Anse, West department, Nippes, Artibonite, and the North will not experience acute food insecurity during this period, some households in the south department, the Northwest peninsula, the Central Plateau and the Northeast are likely to face Stressed levels of food insecurity through the Outlook period. Due to erratic rainfall, crop production was very low in these areas and stocks are low. In some parts of Bainet and Cotes de Fer (the southeast), where farmers lost production due to rainfall deficits, very poor households are expected to face Crisis levels.

Approximately half a million internally displaced people in camps in the metropolitan area of Port-au-Prince face Stressed conditions. Although cholera has declined in this community, humanitarian assistance for these populations has declined due to lack of funding. Water and sanitation remain serious problems affecting the health of IDP populations. As the carnival season is expected to bring a large number of people into the streets in February, it is likely that the metropolitan area of Port-au-Prince will experience another outbreak of cholera, with significant impacts on food security.