FEWS NET
FAMINE EARLY WARNING SYSTEMS NETWORK

EL SALVADOR, HONDURAS, AND NICARAGUA
Remote Monitoring Update

February 2015

Risk to Apante harvests, high grain prices, and damage to coffee crops are affecting the region's poorest households

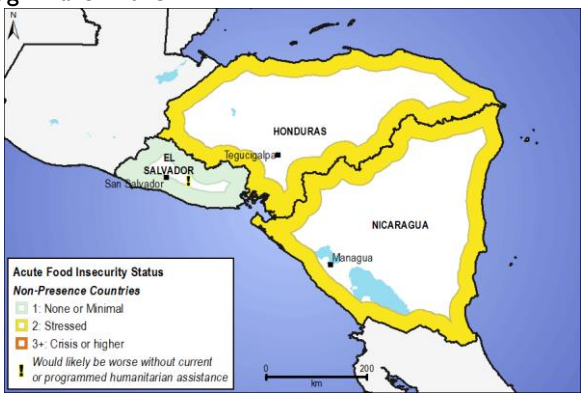
KEY MESSAGES

- In Honduras, losses of 2014 *Primera* crops, rising prices for staple foods, and limited employment opportunities, particularly in the coffee harvest, will lead to Stressed (IPC Phase 2) food security outcomes for very poor households dependent on day labor and subsistence farming activities in livelihood zone 7 in the southwestern area of the country between February and March 2015. Due to a lack of reserves and grain prices that are higher than last year, the poorest households in livelihood zone 7 will be in Crisis (IPC Phase 3) between April and September.

- In Nicaragua, very poor subsistence farming households and households of day laborers and small coffee growers in the northern and northwestern reaches of the country will face Stressed (IPC Phase 2) food security outcomes between February and April due to the poor 2014 harvests, rising prices, and their limited job opportunities, particularly in coffee-growing and livestock-raising activities. Poor households in areas of concern in these parts of the country could be facing Crisis (IPC Phase 3) food security outcomes between May and September, due to their lack of food reserves, the rising market prices of staple foods, and their limited job opportunities and reduced incomes due to the new damage to coffee production from the rust fungus and rainfall deficit.

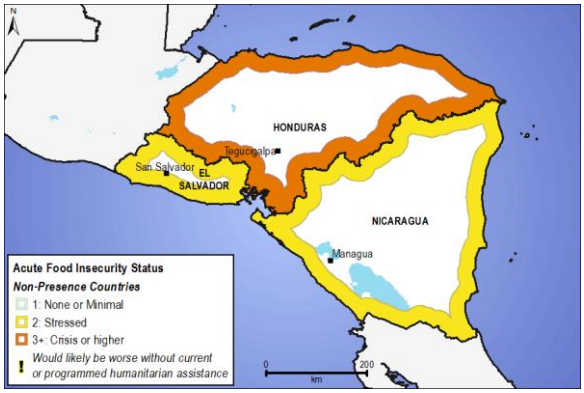
- In El Salvador, due to depletion of their food reserves, the high prices of staple grains, and their limited income-earning oppportunities in the coffee harvest, poor households of day laborers and small coffee growers in livelihood zones 2 and 3 in the eastern and western reaches of the country will experience Minimal (IPC Phase 1!) food insecurity between February and March 2015, with the help of humanitarian assistance. The lack of food assistance and household food reserves and the rising prices of staple grains will create Stressed (IPC Phase 2) food security outcomes between April and September.

Figure 1. Estimated food security outcomes for February through March 2015



Source: *FEWS NET*

Figure 2. Estimated food security outcomes for April through June 2015



Source: *FEWS NET*

Highest estimated level of food insecurity in areas of concern using IPC 2.0 Area Reference Tables:

Phase 1: Minimal
Phase 2: Stressed
Phase 3+: Crisis or higher
Severity significantly mitigated by humanitarian assistance

These maps show relevant *acute* food insecurity outcomes in significant areas of concern for decision-making. They do not necessarily reflect outcomes across the country or *chronic* food insecurity. For more information, visit:: http://www.fews.net/foodinsecurityscale.

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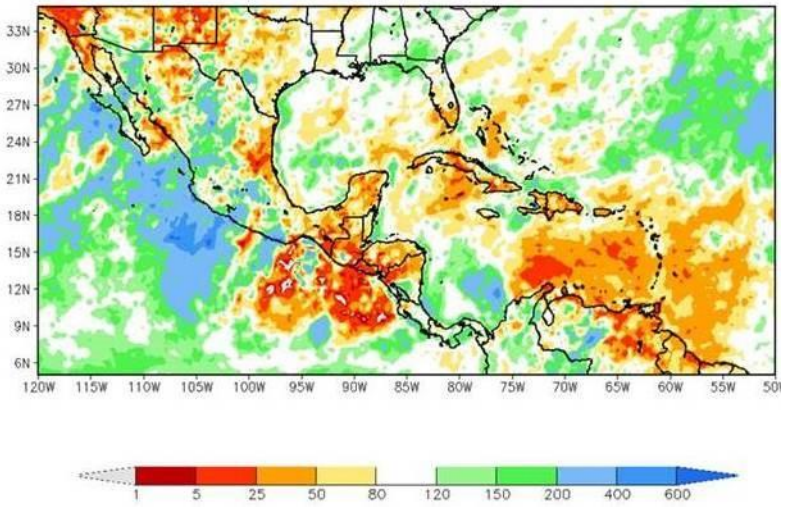
USAID FROM THE AMERICAN PEOPLE

COUNTRY	CURRENT ANOMALIES	PROJECTED ANOMALIES
HONDURAS	Rises in maize and bean prices, keeping them above levels of last year	Tightening supplies driving up prices for maize and beans before the end of the first quarter of 2015 Risk of damage to *Postrera Tardía* crops from rainfall anomalies, particularly to bean crops. Possible damage to staple grain crops for the 2015 *Primer*a growing season from anomalies in the start of the season and in the regularity of rainfall between May and July.
NICARAGUA	Red bean prices at levels 87 to 101 percent above last year and damage to crops in farming areas with *Postrera* and *Apante* crops planted in January Losses of coffee crops due to their irregular maturation and the new surge in the rust outbreak	Risk of damage to *Apante* crops from rainfall anomalies, possibly affecting crop-producing areas of Matagalpa, Jinotega, and the RAAN, the largest area producing *Apante* crops Expected slight improvement in coffee production over last year, but continued losses of coffee crops due to the effects of the 2014 drought and the surge in the incidence of coffee rust disease
EL SALVADOR	Stabilization of red bean prices in November and December, followed by a new rise in prices in January Losses of coffee crops due to rainfall anomalies and the new surge in the rust outbreak	Rise in staple grain prices before the end of the first quarter Medium-term job displacements and economic losses in coffee-growing areas due to the damage to coffee production from rainfall anomalies and the new surge in the rust outbreak

AGRICULTURAL PRODUCTION

The climate outlook for Central America for December 2014 through March 2015 emanating from the XLV meeting of the Central American Climate Outlook Forum is predicting normal to above-normal rainfall activity in the Atlantic region of Honduras and North Atlantic region of Nicaragua. However, rainfall between the second half of December 2014 and the first half of February 2015 was below-average, particularly in the Atlantic region of Nicaragua and Honduras, which could affect the growth and development of *Apante* crops in certain specific areas (Figure 3). Continued below-normal levels of rainfall could affect crops in these areas, reducing yields. Though production levels should be within the normal range, current shortfalls stemming from previous harvests across the region will be a contributing factor in driving up prices. However, these rises in prices should be contained by envisioned imports by the governments of each country.

Figure 3. Rainfall as a percentage of the average, December 1, 2014 – February 17, 2015



Source: *NOAA/FEWS NET*

Thus far, losses of bean crops for the *Apante* growing season planted in January in crop-producing areas of the municipalities of Siuna, Nueva Guinea, San Rafael del Norte, la Dalia, Yali, and Plan de Grama (Wiwilí) in Nicaragua range from 25 to 30 percent, after the sharp drop in rainfall in the last two weeks.

Apante bean crops in most crop-producing areas are in different stages of growth and development ranging from the budding stage to the beginning of the pod filling stage (R5-R8), when proper soil moisture is critical to obtaining good yields. Rainfall forecasts are predicting normal rainfall conditions during this period.

COFFEE SECTOR

EL SALVADOR: The Ministry of Agriculture and Livestock (MAG) is training coffee growers in the Cordillera el Bálsamo area in methods of combating the rust fungus and familiarizing them with new resistant varieties of coffee plants. The government will supply six million coffee seedlings for the renovation of mountainous coffee-growing areas, including the following varieties: Sarchimor, Icatú, Costa Rica 95, and Cuscatleco. Farmers will be furnished with improved seeds during the current growing season for direct seedling production by farmers interested in rehabilitating their plantations with rust-resistant plants.

MAG estimates production for this season at roughly 900,000 quintals, an approximate 20 percent improvement over the last harvest (723,000 quintals).

The Coffee Pact (*Pacto del Café*) signed by the government and coffee producers included a pledge to rehabilitate 30 percent of coffee-growing areas nationwide during the current administration's term of office (five years).

According to the MAG, the nationwide incidence of coffee rust disease was still at 21 percent as of January.

NICARAGUA: Some areas have already finished harvesting their coffee crops, mainly at lower altitudes. However, harvests in other coffee-growing areas are running unusually late, where only approximately 15 percent of the crop has been brought in.

At present, immature coffee crops are the main source of concern, whose flowering stage could coincide with the beginning of the rainy season, in which case budding coffee plants would be destroyed by the first rains. In the face of this possibility, many growers have chosen to harvest unripe (immature) green coffee beans, incurring losses in addition to already low crop yields caused by the rainfall deficit, the effects of the rust fungus, and other plant diseases, which could change current production estimates.

HONDURAS: The Honduran Coffee Institute (IHCAFE) estimates total exports for the 2014/2015 season at 6,300,000 sacks (46 kg). Honduras had exported 641,778 sacks as of January 2015, which is six percent below the figure for January 2014.

STAPLE GRAIN MARKETS

Average red bean prices for January 2015 in all three countries stabilized at levels above January 2014 prices and the five-year average for the month of January. This price stability is a result of trade flows from the harvest of *Postrera* crops ending in January. A comparison of white maize prices for January 2015 against figures for December 2014 shows price increases between 7 and 17 percent in the three countries, due to the slowdown in grain flows from high-production areas (**see table**). Price patterns for both of these grains suggest a tightening of supplies and upward trend in prices in the first quarter of 2015. Depending on the outcome of the *Apante* growing season in Nicaragua, bean prices could stabilize, but will be higher than last year.

Regional grain price variance

Average prices for January 2015 versus December 2014

		White maize		Red beans		White rice	
Country	**Market**	**Wholesale**	**Retail**	**Wholesale**	**Retail**	**Wholesale**	**Retail**
NICARAGUA	Managua	7.9%	9.7%	-5.1%	-4.3%	1.3%	-0.3%
	Estelí	11.9%	6.9%	5.0%	2.5%	1.3%	0%
EL SALVADOR **1/**	San Salvador	15.5%	4.2%	23.7%	19.7%	3.4%	
	Ahuachapán	10.2%		33.0%	19.7%		
HONDURAS	Tegucigalpa	17.3%	11.7%	-4.2%	-4.9%	-2.2%	
	San Pedro Sula	16.1%	10.4%	-1.2%		0.3%	

1/ January 2014, moving average for the last six months

NICARAGUA:
According to the National Farmers' and Cattlemen's Union (UNAG), the government has been meeting with bean producers for the planning of harvests for the current growing season. Approximately 275,000 *manzanas* of land (1 *manzana* = 0.7 hectares) were planted in red bean crops for the *Apante* growing season nationwide, 69 percent more than the normal average area planted in *Apante* red bean crops in the last five years, which will be harvested at the end of February. Current grain supplies on domestic markets are from the *Postrera* growing season. Farmers are expecting a large enough harvest of *Apante* crops to prevent further rises in prices this year. They feel that the government should earmark production for domestic consumption and control exports until the harvest of *Primera* crops.

EL SALVADOR:
The MAG has stated that there are adequate market supplies of beans and maize and that a group of staple grain distributors controlling approximately 70 percent of the market and speculating with grain supplies is responsible for running up their prices.

HONDURAS:
The *Instituto Hondureño de Mercadeo Agrícola* (IHMA), the national crop marketing agency, estimates domestic bean consumption at between 2.2 and 2.3 million quintals. The Ministry of Economic Development (SDE) has 35,000 quintals of beans and 170,000 quintals of maize with which to meet domestic market demand. In addition, there will be 4,000 metric tons (80,000 quintals) of red bean imports to cover expected shortages in May and June. Unwarranted hikes in prices prompted the SDE to issue government regulations setting ceilings on the retail selling prices of seven staple foodstuffs for a thirty-day period effective as of February 5th, enforceable at the country-wide level. Red beans are included among the commodities covered by these regulations, whose ceiling price was set at 15 lempiras per pound.

PROJECTED REGIONAL OUTLOOK THROUGH JUNE 2015

According to the mid-February update by the IRI (the International Research Institute for Climate and Society), certain atmospheric variables in the ensemble of ENSO forecast models show a slightly clearer El Niño pattern than had been indicated prior to the month of January. These conditions could affect the start of the *Primera* growing season, creating rainfall anomalies between April and June, which could impact crops in vegetative development stages.

In Honduras, repeated losses of staple grain crops, the steady rise in staple food prices for over a year, and the limited job opportunities in coffee-growing activities between February and March will create Stressed (IPC Phase 2) levels of food insecurity for the poorest households in livelihood zones 7 (subsistence grains and remittances) and 5 (mountainous coffee-growing zone). Further rises in prices and crop losses from the 2014 *Primera* growing season will put these households in Crisis (IPC Phase 3) as of April. In addition, the materialization of predicted start-of-season anomalies for the 2015 rainy season could affect the planting of *Primera* crops which, in turn, could prolong food insecurity.

In Nicaragua, very poor subsistence farming households and households of day laborers and small coffee growers in livelihood zones 3 and 12 in the northern and northwestern reaches of the country will face Stressed (IPC Phase 2) food security outcomes between February and March triggered by the large losses of 2014 *Primera* crops, high grain prices on domestic markets, and limited employment opportunities, particularly in coffee-growing and livestock-raising activities. With their lack of food reserves, the rising market prices of grain, and their limited job prospects and reduced incomes as a result of the new damage to coffee production from the rust fungus and rainfall deficit, poor households in areas of concern in these livelihood zones could be facing Crisis (IPC Phase 3) levels of food insecurity between May and September.

In El Salvador, households of small farmers in livelihood zones 2 and 3 in the eastern and western reaches of the country should experience Minimal (IPC Phase 1!) food insecurity between February and March with the help of humanitarian programs including food assistance from the government and international cooperation agencies, which has been necessitated by limited employment opportunities in the coffee sector, lack of reserves, and the high market prices of staple grains. The finalization of food assistance programs, limited reserves, and rises in staple grain prices will create Stressed (IPC Phase 2) levels of food insecurity for this group of households between April and September.

ABOUT REMOTE MONITORING

In remote monitoring, a coordinator typically works from a nearby regional office. Relying on partners for data, the coordinator uses scenario development to conduct analysis and produce monthly reports. As less data may be available, remote monitoring reports may have less detail than those from countries with FEWS NET offices.

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