EI SALVADOR, HONDURAS AND NICARAGUA
Remote Monitoring Update

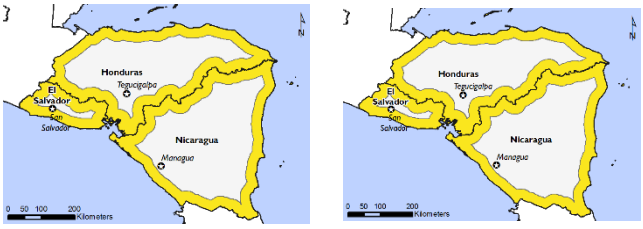
June 2019

Irregular rainfall could damage grain harvests

KEY MESSAGES

- The El Niño event forecast shows a 55 percent probability of the event continuing to be weak this season, meaning that irregularities in the temporal and spatial distribution of rainfall will continue, potentially affecting *Primera* planting in areas of the region focused on producing basic grains.
- Due to the lack of crops and reserves, the poorest farmers' families will rely on the market to supply their food from June to September. They will adopt coping strategies such as purchasing less nutritious food, spacing out mealtimes, reducing portion sizes and migrating to urban centers or other countries in the region to earn money to enable them to fully meet their basic food needs.
- It is estimated that prices for basic grains will start to rise from June onwards, as the peak of the lean season will be beginning. Maize prices will continue to behave similarly to last year and will be above the five-year average, while red bean prices will remain stable, with below-average trends.

Current food security outcomes, June to September 2019 (left) and October 2019 to January 2020 (right)



Phase 1: Minimal

Phase 2: Stressed

Phase 3+: Crisis or higher

! Would likely be at least one phase worse without current or programmed humanitarian assistance

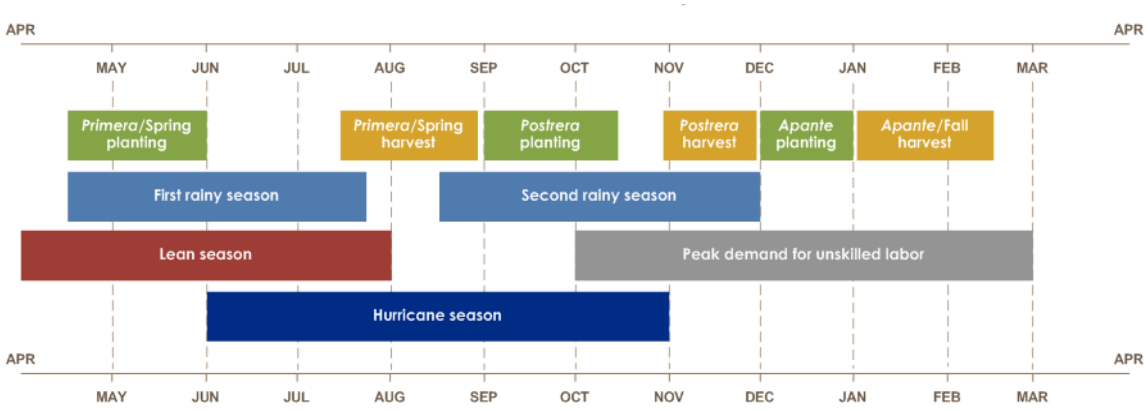
Source: *FEWS NET*

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

FEWS NET Remote Monitoring countries use a colored outline to represent the highest IPC classification in areas of concern.

- Income generation for vulnerable families currently depends on employment, mainly in planting basic grains. However, regions close to agricultural holdings with a commercial focus will offer employment opportunities in horticultural and tropical fruit production.
- Due to declining livelihoods, crop losses and rising commodity prices, the most affected areas will be Stressed (IPC Phase 2) until January 2020.

SEASONAL CALENDAR FOR A TYPICAL YEAR



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PROJECTED OUTLOOK

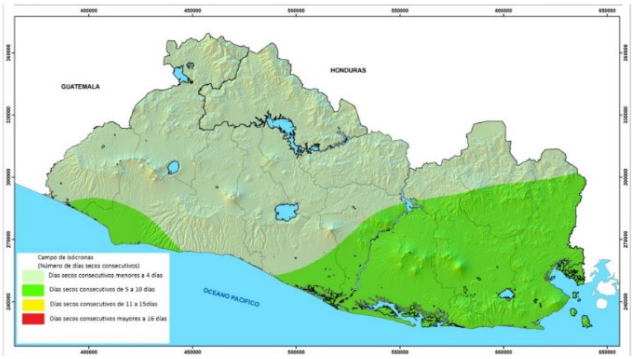
According to the latest report by the International Research Institute for Climate and Society (IRI), there is a 55 percent probability that El Niño will continue during the projected outlook period. Most models predict that, on average, this event will be weak. However, it cannot be ruled out that it will reach moderate levels over a monthly range (1.0 <ONI <1.5). The tropical cyclone season is more active than usual in the eastern Pacific Ocean and will be slightly less intense than usual in the North Atlantic Basin. The different sources consulted estimate that there will be nine to 13 tropical cyclones, of which three to six would be hurricanes.

According to the Central America Climate Outlook Forum forecast, the most probable precipitation scenarios for the period from May to July 2019 in Central America are below-average precipitation in the following geographical areas: in southern, southeastern, western and northwestern Honduras; in central and eastern El Salvador; and in the Pacific and Central regions and western sectors of the North region in Nicaragua.

In the current period, below-average precipitation has been observed in several of the region's growing areas, with irregular rainfall and short-term precipitation, which have in some cases led to sudden floods, followed by days with little or no precipitation. Temperatures have remained above average in the whole region. Significant changes in these conditions are not expected over the coming months because atmospheric and oceanic conditions have not changed significantly.

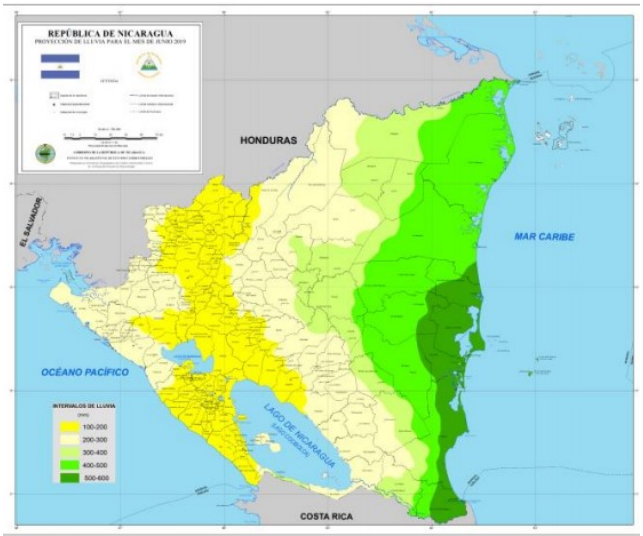
The Ministry of Environment and Natural Resources of El Salvador issued a bulletin on 18 June reporting a slight meteorological drought lasting five to 10 consecutive days, mainly affecting regions in the east of the country, being classified to date as a low-intensity drought. This rainfall behavior has been recorded from 13 June to the date of issue of this report.

Figure 1. Number of consecutive dry days from 13 to 19 June 2019, El Salvador



Source: *Ministry of Environment and Natural Resources (MARN), General Directorate of the Environmental Observatory (DGOA), Climate and Agrometeorology Center (CCA)*

Figure 2. Accumulated rainfall (mm) forecast for June 2019, Nicaragua



Source: *Nicaraguan Institute of Territorial Studies (INETER)*

According to the Nicaraguan Institute of Territorial Studies (INETER), the accumulated rainfall in May exceeded the historical average in all regions of the country, with the Central Pacific, South, North and Central regions recording the greatest excesses. In the last third of the month, accumulated rainfall of between 55 mm and 750 mm was recorded, with the highest levels in the South Pacific and on the North Caribbean Coast.

REGIONAL PRODUCTION AND SALE OF BASIC GRAINS

Weather forecasts predicting irregular temporal and spatial distribution of rainfall, which could have delayed planting, have not come to pass. To date, planting has taken place as normal and no damage has been reported due to long periods of suppressed rainfall, although a slight meteorological drought is forecast in certain areas of the region. In the short term, the number of days without rain has increased and some areas where crops are damaged could be identified. The authorities responsible for agriculture in each country issued planting recommendations, mainly during the period from 15 April to 10 June, with the possibility of extending the recommendations until June 20 in areas with different periods of precipitation. In some regions where rainfall distribution and accumulation will be insufficient for maize to grow properly, it was suggested that alternative, more drought-resistant crops, such as sorghum, should be grown.

In El Salvador and Honduras, seeds and fertilizers were supplied to subsistence farmers for the first planting of the season in areas where it is considered that there will be sufficient precipitation for crop growth.

According to field reports in Nicaragua, the planting of basic grains (maize and beans) took place during the second half of May (60 percent) and the first half of June (40 percent). In El Salvador and Honduras, field visits and consultations to check on planting indicate a similar situation.

According to El Niño evolution forecasts, irregular rainfall is expected, which could affect *Primera* and *Postrera* plantings, mainly in the Dry Corridor of the region. This could lead to reduced yields and partially or totally damaged crops, mainly affecting subsistence agriculture in hilly areas.

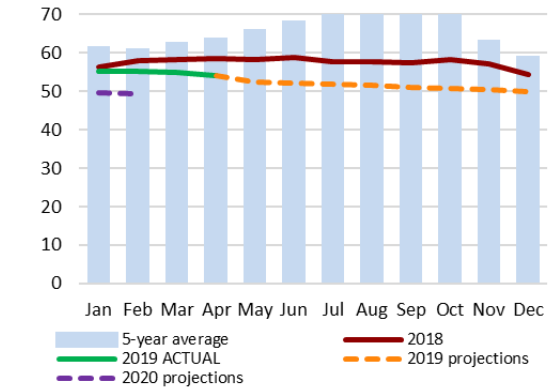
REGIONAL BASIC GRAIN PRICE SITUATION

The *Apante* harvest, including crops in irrigated areas, ended in May in the region. These crops have supplied the national markets and have been traded within the countries of the region, where Nicaragua, as the largest producer of beans at this time, mainly exports to Costa Rica, El Salvador and Honduras. The production flows during this period have supplied the region's markets. However, it is estimated that prices have reached the point of equilibrium and, from June onwards, they will begin to increase due to the start of the lean season, as crops throughout the region are in the growing phase, lasting 1.5 months.

In May, maize prices in El Salvador and Nicaragua remained stable and in Honduras there were slight increases. In the three countries, prices remained similar to the trend for the previous year and above the five-year average. It is thought that this behavior will maintain prices similar or slightly higher than the previous year, mainly due to speculation. However, if *Primera* harvest crops are affected by irregular rainfall, upwards trends in all three countries could be exacerbated.

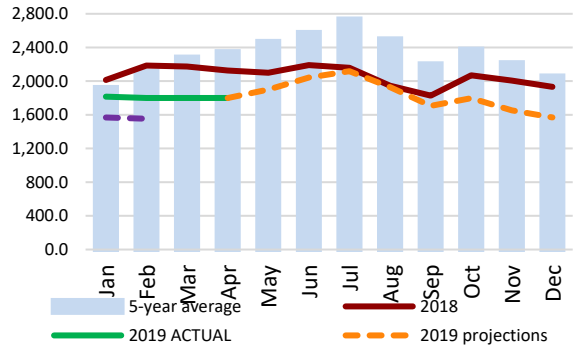
With regard to the sale of red beans in May, only Nicaragua registered upward price variations. However, compared with the previous year and the five-year average, price variations are negative in all three countries. For the forecast period, which runs to September, prices are predicted to keep behaving in line with or below the average.

Figure 3. Red beans price projection, USD/qq, El Salvador



Source: *FEWS NET*

Figure 4. Red beans price projection, HDL/qq, Honduras



Source: *FEWS NET*

The governments of the region, mainly in El Salvador and Honduras, continue to bolster the production of basic grains in order to ensure the supply of grains to the markets using the *Primera* and *Postrera* harvests and continue to hand out growing kits (seeds and fertilizer).

THE COFFEE SECTOR

The most up-to-date data from the International Coffee Organization records, published in April 2019, show that the volumes exported from October to April in the 2018/2019 season were lower than in the previous season, with the exception of El Salvador. Honduras registered the biggest decrease, from 4,152,000 sacks in the 2017/2018 season to 3,748,000 sacks in 2018/2019. This variation in exports is thought to result from the disincentive to produce/export caused by international market pricing conditions.

The downwards trend of prices on the international coffee market is continuing, with the average indicative price in May 2019 being USD 93.33 cents per lb, equating to a 1.2 percent reduction from April 2019, and the lowest price since July 2006. These decreases are further damaging the coffee-growing economy in the region, affecting its most vulnerable families.

REMITTANCES AND MIGRATION

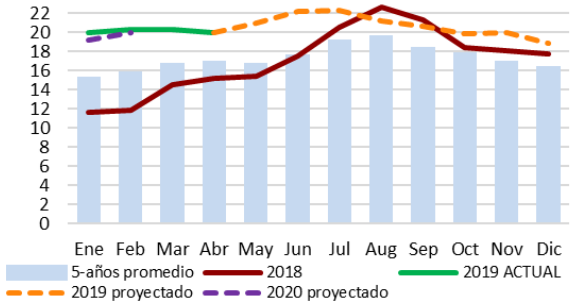
El Salvador: According to the Central Bank of El Salvador, USD 2,281 million of family remittances were received in May 2019, an increase of USD 84.4 million, equivalent to year-on-year growth of 3.8 percent compared with the same period last year. The departments that received the most remittances in May 2019 were: San Salvador (19.9 percent), San Miguel (12 percent), La Unión (8.4 percent), Santa Ana (8 percent) and La Libertad (7.9 percent). Cuscatlán (2.5 percent) and San Vicente (3.4 percent) received the least.

Honduras: According to the Central Bank of Honduras (BCH), USD 401 million of remittances were received in January 2019, an increase of USD 59.6 million on what was received in January 2017. According to the January 2019 Remittance Survey, 80.5 percent of migrants surveyed resided in the United States, Spain (4.4 percent), Mexico (3.0 percent) and Panama (2.6 percent). The recipients of the most cash remittances lived in the following departments: Francisco Morazán (27.4 percent), Cortés (23.2 percent) and Atlántida (12.5 percent). The remaining 36.9 percent lived in other departments, including Yoro (8.0 percent), Olancho (6.2 percent), Comayagua (4.7 percent), Valle (3.9 percent), Choluteca (3.7 percent), and Santa Bárbara (2.1 percent).

Nicaragua: According to the Family Remittance Report published by the Central Bank of Nicaragua, in the first quarter of 2019, income was USD 383.8 million, an increase of 8.6 percent on what was received over the same period in 2018 (USD 353.4 million). The main remittance issuers were the United States (54.5 percent), Costa Rica (19.4 percent), Spain (12.5 percent) and Panama (5.3 percent). The main departments where remittances were received were Managua (36.3 percent), Chinandega (9.6 percent), León (8.2 percent), Estelí (7.8 percent), Matagalpa (6.9 percent) and Nueva Segovia (5.7 percent).

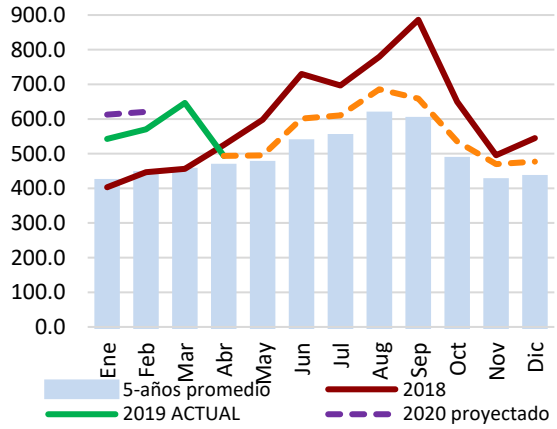
The UN Refugee Agency (UNHCR) estimates that, as at 16 April 2019, 62,000 Nicaraguans have left the country due to the sociopolitical crisis, of whom 87 percent are thought to have arrived in Costa Rica. A study presented by the Arias Foundation for Peace and Human Progress determined that 53 percent of the Nicaraguans who have arrived in Costa Rica due to the current crisis are students or professionals.

Figure 5. Projection of maize prices, USD/qq, El Salvador



Source: *FEWS NET*

Figure 6. Projection of maize prices, NIC/qq, Nicaragua



Source: *FEWS NET*

Figure 7. Coffee exports (60 kg sacks)

October–April season			
Country	**2017/2018**	**2018/2019**	**Variations**
El Salvador	251.00%	308.00%	23%
Guatemala	1,607.00	1,500.00	-7%
Honduras	4,152.00	3,748.00	-10%
Nicaragua	1,343.00	1,267.00	-6%
Total	7,353.00	6,823.00	

Source: *International Coffee Organization (ICO)*

OTHER SOURCES OF INCOME

Currently, the main source of employment for poor populations in the region is planting basic grains, although populations close to agricultural holdings producing crops with a commercial focus (onions, tomatoes, chili peppers, potatoes, okra) and tropical fruits (melons, pineapples, guavas, rambutans, plantains, papayas, bananas, watermelons) will be able to access short-term work. Other major sources include work in areas where fishery products (mainly shrimp and tilapia) are produced. In each country, there are also areas that provide very specific employment in coffee and sugar cane agronomic management.

In Nicaragua, changes to tax mechanisms mean that a downturn is expected throughout the agricultural sector, which will result in a further reduction in employment opportunities. According to a May 2019 report by the Nicaraguan Foundation for Economic and Social Development (FUNIDES), the political and socioeconomic crisis in Nicaragua has caused a 10-month economic downturn, according to the monthly variation of the Monthly Economic Activity Index (IMAE). By April 2019, year-on-year inflation was 5.8 percent, and by the end of 2019 it is estimated that 98,000 people will have joined the ranks of the unemployed. It is also thought that real gross domestic product in 2019 will exhibit a negative year-on-year variation of 7.3 percent.

PROJECTED REGIONAL OUTLOOK

Food Security Outcomes

Food availability: Vulnerable populations in the Dry Corridor, mainly those in poor communities in the south and west of Honduras; in the east and west of El Salvador; and in central and northern Nicaragua, will rely on the market during the most critical period from June to September 2019, as their stocks have run out. *Primera* harvests should alleviate this situation for a relatively short time, as crop damage and lower-than-average yields are anticipated. It therefore seems that, once again, these households will have to rely on the market earlier than usual.

Food access: The cash obtained by vulnerable populations from temporary and sporadic employment in farming, construction and commercial roles will enable them to access the market to meet their basic food needs, albeit with some limitations. The potential increase in commodity prices during the lean season will affect the purchasing power of these households. The limited nature of temporary employment will not enable the most vulnerable households to earn sufficient cash. Cash earned from these activities will cover only the basic food needs that enable them to survive the lean season, including bartering food for work within communities and forcing at least one family member to migrate to nearby urban centers or to the capital city in search of employment.

Food consumption and changes in livelihoods: The peak of the lean season begins in May, due to the exhaustion of food stocks, the absence of mass employment opportunities and the low purchasing power acquired. The seasonal period of hunger goes hand-in-hand with the period of greater morbidity from vector-borne diseases, which affects the most vulnerable populations as the rainy season gets under way.

In El Salvador, communities in the eastern departments (San Miguel, San Vicente, Morazán, La Unión and Usulután) and the west (Ahuachapán, La Libertad, Santa Ana and Chalatenango); in Honduras, communities in the southern departments (El Paraíso, Choluteca, Francisco Morazán, Valle, and La Paz) and the west (Intibucá, Lempira, Ocotepeque and Copán); and in Nicaragua, communities in the central-north region's departments (Estelí, Madriz, Matagalpa, Jinotega, Nueva Segovia, and Chinandega), will rely on the market to supply their food but will find it difficult to access non-food staple items. Consequently, the abovementioned areas are classified as Stressed (IPC Phase 2). However, a limited number of poorer households in undeveloped communities in these regions with no basic services (health, water, education, transport) and limited access to survival strategies will have to limit their food consumption, meaning that they will be in Crisis (IPC Phase 3).

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. Learn more about our work here.