

Price Monitoring and Analysis Country Brief

Nicaragua

September-December 2010

Key Messages

- Bean prices have continued to rise in recent months particularly affecting the poorest who experience difficulties in accessing food markets.
- Food security is not particularly affected by civil insecurity, but adverse weather conditions have affected crops during the main producing seasons
- Due to the poor grain harvests and higher food prices food security conditions are not particularly favourable.
- The government is implementing measures to support producers and poor consumers.

Background

The total population in Nicaragua is 5.7 million, with a growth rate of 1% per annum. The proportion of undernourishment was estimated at 19%.

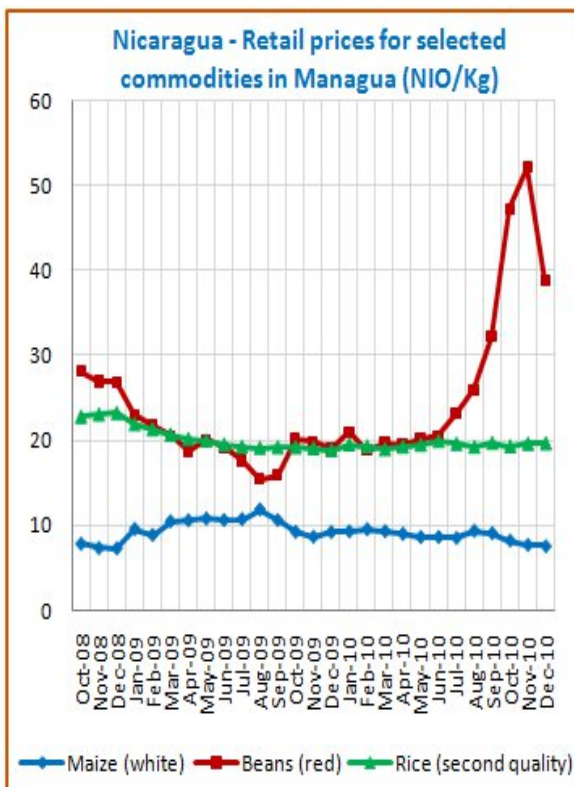
Economic Indicators	View Data
Total Population (millions) - 2009 (WB)	5.743
Population growth rate - 2009 (WB)	1%
GNI per capita, \$ PPP - 2009 (WB)	2540
Population below 1\$ PPP per day - 2005 (MDGI)	15%
Rural population - 2009 (WB)	42%
Agriculture, value added (% of GDP) - 2009 (WB)	19%

Food Consumption	
Undernourished Population - 2005/2007 (FAO)	19%
Cereal share in total dietary energy consumption - 2007 (FAO)	50%
Meat share in total dietary energy consumption - 2007 (FAO)	4%

Health Indicators	
Pop. with sustainable access to improved sanitation - 2008 (WHO)	52%
Life expectancy at birth (years) both sexes - 2008 (WHO)	74
Pop. with access to improved drinking water sources - 2008 (WHO)	85%
Prevalence of HIV among adults aged >= 15 years - 2009 (WHO)	0.2%

Prices

Red bean prices have risen over the past few months. In Managua, red bean retail prices sharply increased by 20% between September and December, reaching 38.83 Cordoba oro/Kg. On the other hand, other staple food prices have shown a quite stable trend, for instance, second quality rice prices were quoted around 19.6 between September and December. Maize was traded at 9 Cordoba oro/Kg in September and then decreased to 7.5 in December. Wholesale maize prices in local markets (329.66 USD/T) were 31% higher than International US Maize No2 Yellow (251.96 USD/T) and rice prices (815.98 USD/T) were 93% higher than the international prices of Rice Thai A1 Super (422.25 USD/T) both in November.



Source: [GIEWS National basic food prices data and analysis tool](#)

Food Security Situation Assessment

In October WFP approved an emergency relief assistance operation which will provide food aid to 15,000 people affected by torrential rains in September. According to FAO, Nicaragua is reducing the percentage of undernourishment at national level from 20% to the 18.8%, and the 2010 hunger map reports moderately high undernourishment. Also the IFPRI global hunger index describes reduction in hunger changing from serious to moderate hunger which the country will face.

CURRENT EMERGENCY ASSESSMENT

Exceptional shortfall in aggregate food production supplies	Widespread lack of access	Severe localized food insecurity	FAO/GIEWS CPFS 2010
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Intense rains between May and September have impacted different livelihood zones in Nicaragua, especially zones 12, 13, and 15. In addition, most of the population, but especially the poorest, is affected by the rise of prices of basic grains...[more](#) FEWSNET

SCALE OF HUNGER (% of Undernourishment)

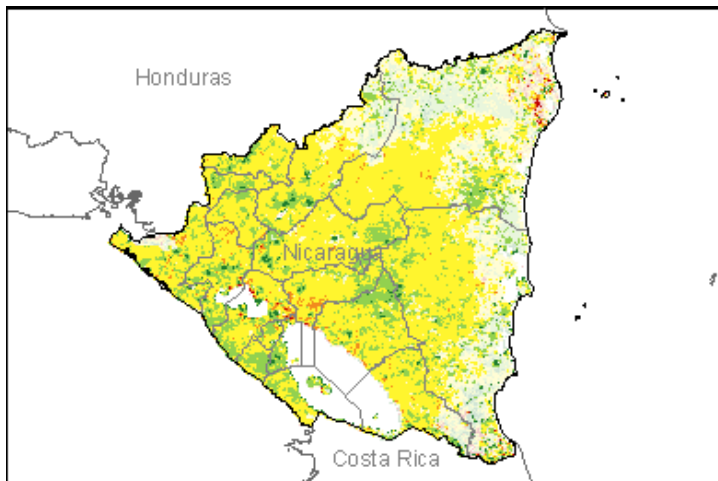
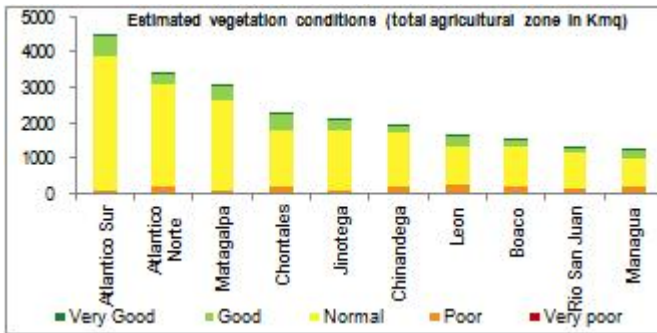
Very high (>= 35%)	High (25-34%)	Moderately high (15-24%)	Moderately low (5-14%)	Very low (< 5% under.)	FAO Hunger Map
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FAO Hunger Map classifies all countries of the world into five based on % of population undernourished.

Extremely alarming	Alarming	Serious	Moderate	Low	IFPRI/2010 GHI
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Vegetation Condition

At this end of the main crop season, normal conditions are observed throughout the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for December 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GIEWS cropland (FAO)



Source: JRC MARS – FoodSec

Crop phase in the reference period

Sowing	Maize and Beans (Third Season)
Growing	No crops are growing during the reference period
Harvesting	Beans and Sorghum (Second Season)

Natural Disasters, Drought and Conflicts

There is no information relevant to civil insecurity in the country. According to INETER, very low rain in October and the beginning of November caused damage to the postrera crop season. The lack of rain is mainly affecting the districts of Rivas, Madriz, Nueva Segovia, Chinandega, Estelí and León.

Refugees and IDPs	2007	2008	2009
Total in the country	209	147	121
Total outside the country	2725	2005	1915

Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 01/12/2010.

Disaster Type (last year)	Date	Location	Alert
Earthquake	2011-01-05	Carazo Province	1/3
Earthquake	2010-12-24	Carazo Province	1/3
Earthquake	2010-12-17	Leon Province	1/3

Source: Global Disaster Alert and Coordination System - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Food Balance Sheet

The main “de primera” 2010 cereals and bean harvest ended in September, but heavy rainfall had negative repercussions particularly on bean yields. Prospects are also uncertain for the 2010 second season “de postrera” crops that are currently being harvested. The 2010 total production was estimated at 947,000 tonnes compared to 936,000 in 2009 and 922,000 for the five year average.

Nicaragua				
Cereal production				
	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Maize	529	529	540	2
Rice (paddy)	311	325	325	0
Sorghum	83	82	82	0
Others	0	0	0	0
Total	922	936	947	1

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Source: GIEWS Country Briefs

Government Policies

In the month of October the government authorized import 40,000 quintals of bean to help lower the prices. Moreover policies to support small farmers with input subsidies and emergency food distributions in partnership with WFP are in place.

Consumer and market oriented measures	Price control measures.
Producer oriented measures	Input subsidies.
Trade policy measures	n.a.
Safety net (increased or introduced)	Emergency food distributions.

Different sources

Current events to watch (Click to see the full report)

[CENTRAL AMERICA Executive Brief, January 7, 2011](#)
[Nicaragua: Entregan Kits de Higiene a comunidades de C...](#)
[Americas Zone: Revised Zone Plan 2011 \(MAA42003\)](#)
[UNIÓN EUROPEA REFUERZA ASISTENCIA A LAS VÍCTIMAS DE LA...](#)
[Enhancing food security in Central America](#)

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