



## Price Monitoring and Analysis Country Brief

**Nicaragua**

January-April 2011

### Key Messages

- Bean prices have declined from peak levels of last year; however rice and maize prices have shown an increasing trend during the reference period. Nominal maize price has reached or exceeded the highest levels observed in 2008.
- Food security situation is generally stable apart from northern dry corridor and north east regions due a combination of crop losses in 2010 and high food prices.
- La Nina phenomenon has affected crop production in 2010 resulting in high food prices and depletion of stocks particularly in northern parts of the country.
- The Government has adopted price control measures to support consumers and an input subsidies programme to support producers.

### 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	<a href="#">View Data</a>
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%

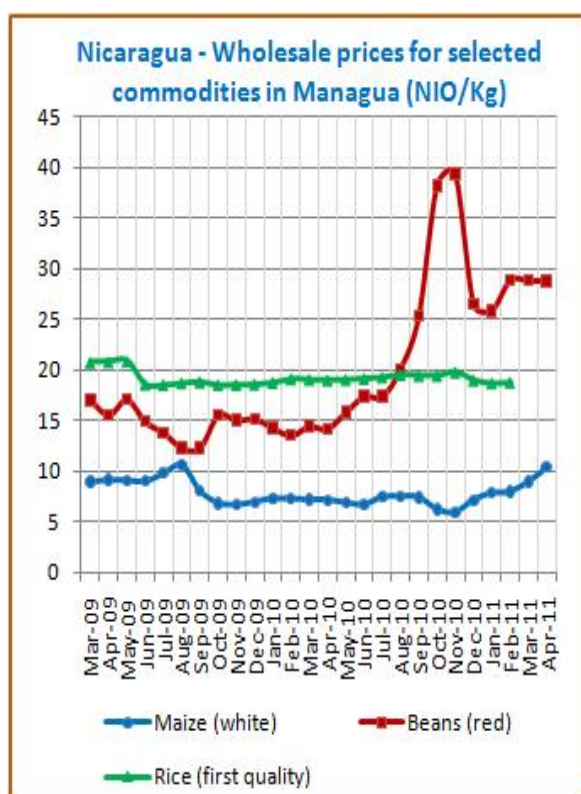
Health Indicators	
Pop. with sustainable access to improved sanitation - 2008 (WHO)	52%
Life expectancy at birth (years) both sexes - 2008 (WHO)	74
Pop. with access to improved drinking water sources - 2008 (WHO)	85%
Prevalence of HIV among adults aged >= 15 years - 2009 (WHO)	0.2%

### Prices

Bean (wholesale) prices have dropped from record levels registered in November 2010 (39.38 Cordoba oro/Kg) as a result of the second and third season bean crops. Prices fell to 25.85 in January 2011, but then increased by 12% in April (28.8). Rice prices (second quality) have slightly increased between January (17.62) and April (19.93 Cordoba oro/Kg). Maize prices have steadily increased (26%) in the same period, reaching 9.89 Cordoba oro/Kg in April. The price of maize in Managua in April was 39% above the price of maize (US No2 Yellow) on the international market.

### Food Security Situation Assessment

FEWSNET reports moderate food insecurity in the northern dry corridor and the north east where there is limited food availability and where food reserves have been already depleted due to 2010 crop losses. This, in addition to high food prices are major constraints to food security. FAO hunger map estimates moderately high undernourishment and IFPRI hunger index describes a situation of moderate hunger.



Source: GIEWS Country Briefs

### CURRENT EMERGENCY ASSESSMENT

Exceptional shortfall in aggregate food production supplies	Widespread lack of access	Severe localized food insecurity	<a href="#">FAO/GIEWS CPFS 2010</a>
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The food security situation in Nicaragua is stable, except for the northern dry corridor and northeast region. These areas have experienced large crop losses in 2010 and are estimated to be Stressed (IPC Phase 2). In a normal year, households ...[more](#) [FEWSNET](#)

### SCALE OF HUNGER (% of Undernourishment)

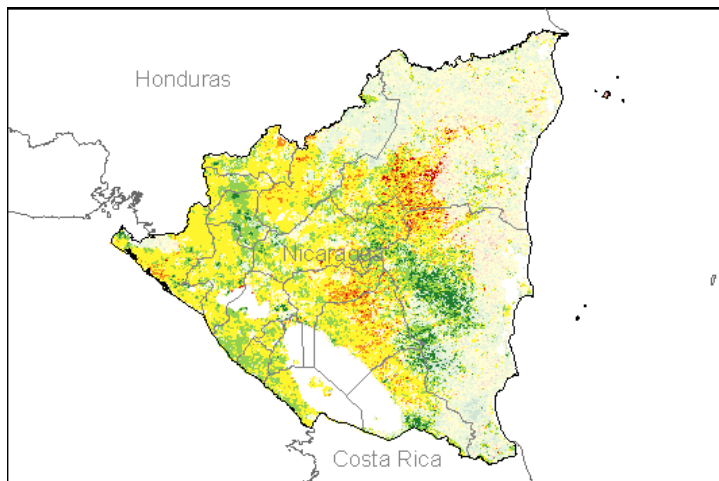
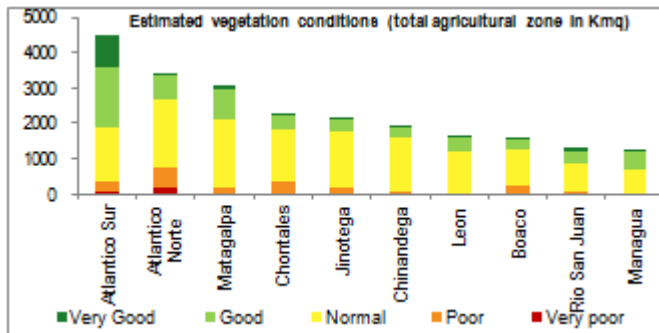
Very high (>= 35%)	High (25-34%)	Moderately high (15-24%)	Moderately low (5-14%)	Very low (< 5% under.)	<a href="#">FAO Hunger Map</a>
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FAO Hunger Map classifies all countries of the world into five based on % of population undernourished.

Extremely alarming	Alarming	Serious	Moderate	Low	<a href="#">IFPRI/2010 GHI</a>
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## Vegetation Condition

At the end of the dry season, normal to good conditions are observed in the major part of the country except for the provinces of Atlantico Norte, Boaco and Chontales where poor conditions are observed. The general indicator of vegetation condition provided below is the relative difference between the NDVI for April 2011 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

<b>Sowing</b>	Beans (Third) - Maize (Third) - Rice (Irrigated/Main)
<b>Growing</b>	Beans (Third) - Maize (Third) - Rice (Irrigated/Main)
<b>Harvesting</b>	Rice (Irrigated/Main)

## Natural Disasters, Drought and Conflicts

The dry spell at the end of 2010 has extensively affected the second season crop production particularly in northern districts. It is predicted that the sowing of crops in the first season of 2011, which will begin in April/May, will continue to be affected by the La Niña phenomenon with above average and irregular rainfall.

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	2011-04-23	East	1/3
Earthquake	2011-04-14	West Coast Of Nicaragua	1/3
Earthquake	2011-03-27	Carazo 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

Cereal production is estimated at 0.9 million tonnes, which is the same level of the 2009 output. Imports requirements for the 2010/11 marketing year (July/June) are estimated at 415,000 tonnes, almost the same level of the previous year.

Nicaragua				
Cereal production				
	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes		percent	
Maize	529	529	540	2
Rice (paddy)	313	338	320	-5
Sorghum	83	82	82	0
Others	0	0	0	0
<b>Total</b>	<b>925</b>	<b>949</b>	<b>942</b>	<b>-1</b>

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

Source: GIEWS Country Briefs

## Government Policies

The Production Bonus (Bono Productivo) programme to support the poorest farmers' production through subsidized agricultural inputs will continue for the next four years with a budget of USD 20 million.

Consumer and market oriented measures	n.a.
Producer oriented measures	Inputs subsidy
Trade policy measures	n.a.
Safety net (increased or introduced)	n.a.

Different sources

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

[INETER Comunicado Vulcanológico No. 4 - Explosiones en...](#)  
[Desactivan albergue de San Francisco Libre](#)  
[Nicaragua: Floods DREF operation no. MDRNI003 Final Re...](#)  
[Precios de los alimentos en América Latina y el Caribe...](#)  
[REDLAC Nota Semanal sobre Emergencias América Latina &...](#)

For more information, contact: [Information-for-action@fao.org](mailto:Information-for-action@fao.org)  
 Website: [www.foodsec.org](http://www.foodsec.org)

Powered By the GIEWS Workstation

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\* For a further analysis of prices in Nicaragua please see: [Annex](#)