GIEWS Country Brief
Guatemala

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FOOD SECURITY SNAPSHOT

- Planting of 2022 main maize crop ongoing under favourable weather conditions
- Cereal import requirements expected at high levels in 2021/22 marketing year
- Prices of white maize and black beans remained at elevated levels in April
- According to recent IPC analysis, food security situation projected to severely worsen between June and September 2022

Plants of 2022 main maize crop ongoing under favourable weather conditions

Planting operations of the 2022 main season maize crop are ongoing, supported by favourable soil moisture conditions. Some replanting was carried out in localized southern areas along the Pacific coast and northeastern areas due to torrential rainfalls that resulted in flooding and landslides. According to satellite imagery, conditions of germinating crops are favourable (NDVI anomaly map). Despite well above-average producer prices, elevated costs of agricultural inputs and fuel are likely to limit the extent of planted area.

The country depends on imports to meet its domestic fertilizer requirements and two-thirds of fertilizers imports originated from China (mainland), the Russian Federation and Belarus during the 2017-2021 period. Imports of fertilizers between December 2021 and March 2022 declined by 30 percent compared to the previous three-year average as a result of the temporary export ban or quota introduced by China (mainland) and the Russian Federation. A decline in imports is likely to constrain market availabilities in domestic markets.

Amid increasing concerns about the high prices of agricultural inputs, the government plans to disburse GTQ 1 000 (about USD 130) to 180 000 smallholder farmers by end-June 2022 with the aim to improve their access to agricultural inputs. It is reported that some farmers plan to increase the use of organic fertilizers due to the shortage of chemicals. According to the official forecast, precipitation amounts are expected at an average level during the May to July period in most parts of the country, with positive impacts on crop yields. Precipitation amounts are forecast to be above the average level in northeastern (Franja Transversal del Norte) and southwestern (Boca Costa) regions.
Cereal import requirements expected at high levels in 2021/22 marketing year

Cereal import requirements in the 2021/22 marketing year (July/June) are anticipated at an above-average level of 2.1 million tonnes, with maize imports accounting for two-thirds. Cereal import requirements have been increasing steadily over the last decade due to the strong demand for yellow maize by the feed industry, combined with the sustained demand of wheat-based food products in line with an increasing population.

Prices of white maize and black beans remained at elevated levels in April

Prices of white maize rose in May after the sustained increases between November 2021 and April 2022. As of May, prices were nearly 40 percent higher year on year and the highest level since mid-2011. Although markets are supplied adequately, the high prices can be attributed to rising transportation and production costs.

Prices of black beans, which had been overall stable since December 2021, rose in May, as seasonally low availabilities exerted upward pressure on prices. Prices in May were 10 percent higher than the same period last year. Regarding rice, prices have been generally on the rise since November 2021 and were 15 percent above year-earlier levels in May.

The domestic supply of wheat grain and flour entirely relies on imports, mostly from the United States of America and Canada, plus some volumes from Mexico. Below-average harvests of wheat in 2021 in the two major exporters contributed to rising domestic prices of wheat flour, which were 35 percent higher year on year in May.

According to recent IPC analysis, food security situation projected to severely worsen between June and September 2022

According to the latest Integrated Food Security Phase Classification (IPC) analysis, the population in acute food insecurity (classified under IPC Phase 3 [Crisis] or above) is projected at a record of 4.6 million people during the June-September lean season, nearly one-third of the total population. This represents an increase of 1.2 million people compared to the period May-August 2021. The severe deterioration in food security is mainly due to high food prices that are limiting the purchasing power of the vulnerable households. As of early May, it is reported that reserves of white maize held by households for consumption purposes were lower than the same period in 2021 and 2020. When stocks will be completely depleted, households have to necessarily resort to markets and face very high prices of staple food until the start of the 2022 main season harvest in September. If high production costs result in reduced farming activities, it is likely to decrease yields attained in subsistence and commercial farms as well as income-generating opportunities of agricultural labourers that depend on daily wages.

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