

Latin America and the Caribbean (LAC)

Food security in the region is projected to continue to improve thanks to an optimistic economic outlook for most countries. The prospect for Haiti and Nicaragua, the poorest countries in the region, continues to be dim and no improvements of their food security situation are projected over the next decade. Food aid is expected to play an important role in these two countries as well as in weather-induced or other emergency situations throughout the region. [Birgit Meade]

Food security prospects in the Latin American and Caribbean region⁴ remain similar to last year's assessment. The region as a whole is steadily increasing per capita food supplies. All 11 countries in the region are estimated to improve their food availability during the next decade. This increase in food supplies comes from rapidly growing food imports. The average annual growth rate for food imports was above 9 percent for the period between 1990 and 2001. Food production growth is slightly less than projected population growth of about 2 percent. Only Haiti and Nicaragua are expected to have growing national level nutritional food gaps during the next decade. Ecuador, Honduras, and Guatemala are estimated to have a nutritional food gap in 2003, but over the next few years these are expected to be eliminated.

A lack of nutritional gaps on the national level does not mean that there are no food insecure people. The distribution gap, which takes into account skewed income distribution by measuring the food needed to raise food consumption of each income quintile to the nutritional requirement, reveals that food insecurity exists in all countries in the region. In 2003, between 20 and 40 percent of the population are estimated to be unable to achieve nutritional requirements in Bolivia, Columbia, the Dominican Republic, El Salvador, Jamaica, and Peru. The most severely affected countries are Guatemala, Haiti, Honduras, and Nicaragua, with more than 80 percent of their population deemed food insecure.

Projections for 2013 indicate that—except for Haiti and Nicaragua, where food insecurity will remain unchanged or grow worse—food security in the

region is expected to improve, reducing the number of hungry people from 83 million in 2003 to 36 million by 2013. In Haiti, current uncertainty about the government is problematic, but donors are aware of the great need for food assistance in the country. In Nicaragua, agricultural production and economic growth are just enough to keep up with population growth of about 2.5 percent, thus holding per capita food consumption at a constant level over the coming decade. Much faster growth in yields and income will be necessary to raise average consumption to the level of nutritional requirements.

As food supplies have been increasing, food aid shipments have gone down over the last two decades. The region used to be a relatively large recipient of food aid. Between 1989 and 1991, annual food aid receipts of all eleven countries totaled 1.8 million tons. Ten years later, the average was 1 million tons. Per capita food aid receipts in 1989/91 averaged 30.5 kg per year, but fell to about one-third that level 10 years later. Cereal food imports consisted of more than 43 percent of food aid in 1989/91, but that share dropped to less than 12 percent within a decade. This trend can be explained in part by a decline in total food aid availability, and by the fact that other parts of the world are in greater need for food aid. The main reason, however, is that economic growth in the region helped spur a 23-percent increase in per capita food consumption—not including food aid—within 10 years.

Food aid still plays an important role in addressing food insecurity inflicted by unexpected emergencies such as devastation by hurricanes—such as Hurricane Mitch in 1998—frequently recurring flooding and droughts, and the ongoing international coffee crisis. Several Central American countries, especially El Salvador, Guatemala, Honduras, and Nicaragua, have been severely hurt by a sharp decline in international coffee prices, caused by the additional supply of coffee from new producers such as Vietnam and new planta-

⁴ The countries studied include four Central American countries: El Salvador, Guatemala, Honduras, and Nicaragua; three Caribbean countries: the Dominican Republic, Haiti, and Jamaica; and four South American countries: Bolivia, Colombia, Ecuador, and Peru.

tions in Brazil. Whole communities that depend on incomes generated in the coffee sector find themselves impoverished to the extent that families are unable to feed themselves. Food aid has been an important safety net, helping to bridge the period of transition and adaptation to new market conditions.

But how well is food aid targeted to those in need? Does all food aid delivered indeed alleviate hunger? Our analysis indicates that in the Latin American and Caribbean region, more than 80 percent of food aid reduced food gaps and thus helped alleviate hunger in the 1990s. The remaining 20 percent went to countries that, according to our analysis, did not have food gaps.

Food aid shipments, however, fell short of food gaps as the total amount received represented approximately 40 percent of calculated gaps.

In the 1990s, food aid reduced the number of hungry people by 12 percent and reduced nutritional food gaps by one-third. In 1999, the year after Hurricane Mitch, food aid was much higher and better targeted than in preceding years, as the number of hungry people was reduced by 20 percent and food gaps were reduced by more than 50 percent. Latin American countries are faced with recurrent natural shocks and food aid remains their main safety net to respond to food insecurity caused by emergencies.

Table 5—Food availability and food gaps for Latin American and the Caribbean

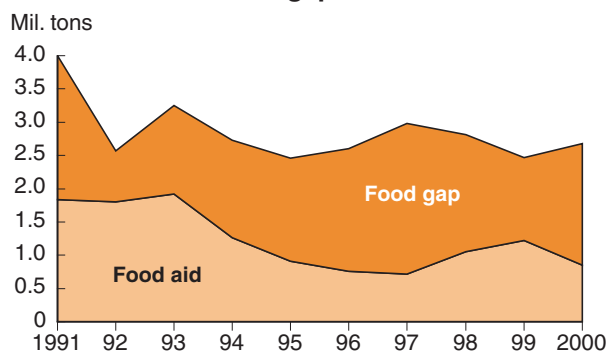
Year	Grain production	Root production (grain equiv.)	Commercial imports (grains)	Food aid receipts (grain equiv.)	Aggregate availability of all food
			1,000 tons		
1994	10,008	2,830	7,551	1,214	30,493
1995	10,152	2,992	8,158	876	31,703
1996	9,978	3,046	9,035	722	32,408
1997	9,681	3,000	9,773	658	32,344
1998	10,125	2,984	10,478	1,013	33,992
1999	11,182	3,299	9,752	1,207	34,227
2000	11,322	3,425	9,230	842	34,400
2001	11,475	3,367	11,065	1,066	36,438
2002	11,735	3,532	10,490	1,227	37,049
Projections				Food gap	
				SQ	NR
2003	12,000	3,579	11,506	0	1,417
2008	13,142	3,908	16,345	0	751
2013	14,032	4,263	23,221	52	798

Latin American and the Caribbean (147 million people in 2003)

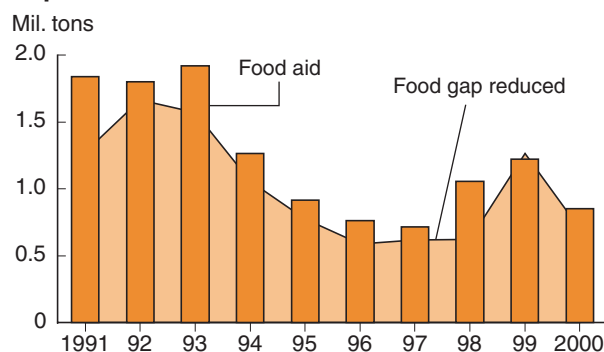
Food security in the region is projected to improve over the next 10 years.

Commercial food imports will increasingly replace domestic production as the main food source. Food aid to the region has decreased drastically over the last two decades. However, Haiti and Nicaragua, the chronically food insecure countries in the region, are likely to continue to require assistance.

Latin America and the Caribbean: Food aid versus food gap



Latin America and the Caribbean: Impact of food aid



Latin American and the Caribbean (LAC): Food aid

	Total food aid received	Food aid per capita		Highest food aid amount received		Food aid as % of supply	
	1988-2002	1989-91	1999-2001	1,000 tons	Year	1989-91	1999-2001
	1,000 tons	Kg		1,000 tons	Year	Percent	
LAC	19,955	3.0	10.7			14.7	5.7
Guatemala	2,088	22.6	9.9	240	1991	10.8	5.4
Haiti	2,010	14.9	16.1	239	2002	11.8	10.9
Honduras	1,499	29.6	15.7	198	1988	14.6	9.3
Nicaragua	1,799	50.7	26.1	285	1990	29.4	14.9
Peru	5,100	15.2	9.8	657	1992	8.7	3.8

Source: World Food Program (WFP), ERS calculations.