

Latin America and the Caribbean (LAC)

Food security continues to improve in this region, reflected in the steady increase in calorie consumption. However, not all countries have benefited from this progress as Haiti, Honduras, and Nicaragua are projected to have large numbers of hungry people unless food production can be increased dramatically and export earnings can be increased to pay for commercial imports. A drought in Central America has reduced 2001 output by up to 20 percent. [Birgit Meade]

Food security has improved in lower income Latin America and the Caribbean in the last two decades, and this trend is expected to continue in the next decade. For the 11 countries covered in this report,¹ per capita food consumption as measured in daily calorie intake has increased steadily, exceeding 2,400 calories in 1999 (well above the FAO recommended level of 2,100 calories). The number of people consuming less than the nutritional requirement is estimated to decline from about 60 million in 1995 to 30 million in 2011. However, not all countries in the region have shared in this positive development. In fact, economic shocks stemming from natural events or policy continue to threaten food security, at least among the lowest income countries in the region.

At the regional level, the improvement in food consumption is largely driven by growth in food imports, while domestic food production lags demand growth. Commercial imports in the study countries comprised 44 percent of domestic food supplies in 1999, and this share is projected to rise to more than 50 percent by 2011. Thus, the dependability of sources for foreign exchange earnings will be key to ensuring food security. During the last decade, these countries have adopted policies to diversify exports, but agricultural products continue to predominate (on average, 30 percent in the 1990s).

Weather-related production instability characterizes the region. This, and the decline in international commodity prices such as coffee, could have serious financial implications. The current coffee price slump is a painful reminder that reliance on a few unprocessed agricultural export products exposes the

¹ The countries studied here are 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.

whole economy to the volatility of price swings in the world market. Countries such as Guatemala and Honduras are relying on coffee for about 25 percent of their export earnings, and rural laborers need the income that the coffee harvest provides.

Another food security concern is poverty and income inequality, which limit food access and underlie food security problems in the region. Although Latin American countries have much higher incomes than many Sub-Saharan African or South Asian countries, their low-income populations are faced with similar food insecurity problems. For example, the distribution gap—the amount of food necessary to raise consumption in all income quintiles to the nutritional standard—showed that in 2001, in 10 of the 11 countries examined, 20 percent or more of the population did not have access to nutritionally adequate food. This distribution gap is estimated at close to 2 million tons in 2001, more than twice the national average nutrition gap. However, the situation is projected to improve in the next decade. By 2011, only six countries are estimated to have 20 percent or more people vulnerable to food insecurity, and the food gap is projected to decline by about 30 percent on account of income growth projections and improvements in agricultural performance.

This regional trend does not apply to Haiti, where food security continues to be precarious. Per capita consumption in 2000 was lower than in 1980. Both the status quo and the nutritional food gap are projected to more than double during the next decade and exceed 370,000 tons by 2011—almost 50 percent of their grain supply. Grain and tuber production grew very slowly in the 1990s, and commercial and food aid imports have become an increasingly important share of food supplies, growing from 27 percent in the 1980s to 41 percent in the 1990s. While the rest of the region experienced declining food aid levels, food aid to Haiti increased steadily in the 1990s to more than 180,000

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

Year	Grain production	Root production	Commercial imports	Food aid receipts (grains)	Aggregate availability of all food
			---1,000 tons---		
1992	10,494	2,376	6,339	1,324	29,433
1993	11,024	2,723	6,237	1,371	29,307
1994	10,095	2,802	8,007	1,002	30,757
1995	10,172	2,970	8,844	520	32,127
1996	9,912	3,040	9,481	556	32,617
1997	9,728	3,030	10,348	476	32,820
1998	10,127	2,946	10,843	912	34,562
1999	11,119	3,341	10,579	714	34,864
2000	10,725	3,544	10,774	555	35,655
Projections				Food gap	
				SQ NR	(w/o food aid)
2001	11,103	3,399	11,620	586 822	35,773
2006	12,185	3,698	14,550	387 635	42,225
2011	13,138	4,018	18,399	562 839	50,087

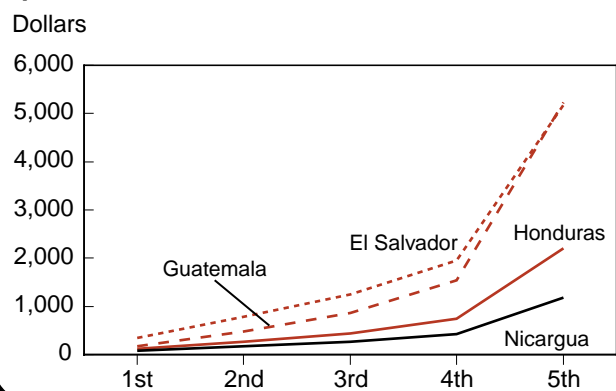
Latin America and the Caribbean

137 million people

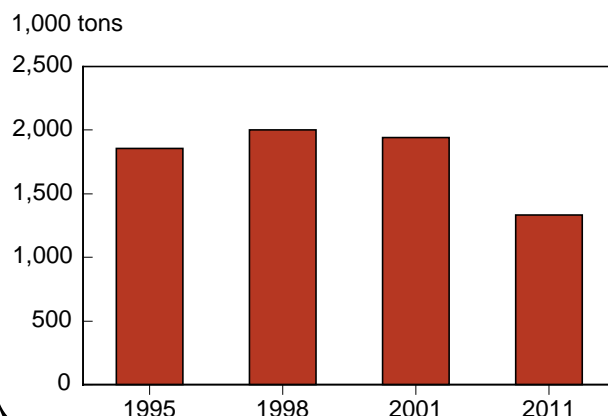
Food security in the region is projected to improve over the next 10 years. Despite recent economic difficulties in South America long term projections indicate rising per capita consumption for most countries.

Haiti and Nicaragua, however, the poorest countries in the region, don't share this optimistic outlook. Their situation is expected to worsen unless drastic political and infra-structural improvements can be achieved.

Annual per capita income by income quintile, 2000



Distribution gaps in Latin America



Latin American and the Caribbean: Calorie consumption

	Calories per capita per day		Per capita consumption growth	Gini coefficient	GNP per capita
	1994-95	1998-99	1980-99		
	Number		Percent		U.S. dollars
LAC	2,346	2,407	0.2	49.2	1,489
Bolivia	2,209	2,228	0.1	42.0	1,010
El Salvador	2,534	2,453	1.4	52.3	1,900
Guatemala	2,356	2,261	0.1	59.6	1,660
Haiti	1,779	1,957	--	--	460
Honduras	2,346	2,377	-0.1	53.7	760
Nicaragua	2,147	2,278	-1.1	50.3	430

-- = Not available.

Source: FAO, 2001. World Development Indicators, 2000/1, World Bank.

tons in 2000, which would be enough to close estimated food gaps for 2001 if kept at the same level.

Honduras and Nicaragua experienced rising per capita consumption levels in the 1980s, before natural disasters caused setbacks in the 1990s. Honduras is still struggling to recover from the devastating destruction brought by Hurricane Mitch in 1998, and has since suffered from a drought that appears to have decreased the 2001 grain output by 20 percent compared to 2000. Status quo food gaps are therefore estimated at 287,000 tons in 2001, almost six times the level estimated for 2000. For the coming decade, however, production is expected to increase at an annual rate of 4 percent, which, combined with increased commercial imports, should allow status quo food gaps to decline to less than 80,000 tons by 2011. The nutritional food gap is estimated at close to 440,000 tons in 2001 and is projected to decline to 267,000 tons within 10 years. These large food gaps—measuring between 30 and 15

percent of the amount of food needed to meet average nutritional standards—suggests that undernutrition and hunger are widespread.

Nicaragua is suffering its second consecutive year of drought. Output in 2001 is estimated to be 8 percent below the pre-drought 3-year average. The status quo food gaps are thus estimated at 135,000 tons in 2001, about 15 percent higher than last year's food aid level. Nicaragua is mostly dependent on domestic food production as imports comprise less than one-third of domestic food supplies and are not expected to increase substantially. Yields are among the lowest in the region and are projected to grow at an annual rate of 1.3 percent, the same rate that area is expected to grow. Thus, production and import growth is projected to barely keep pace with population growth (estimated at 2.6 percent, the highest in the region), thereby failing to reduce the food gaps during the next 10 years.