



Latin America & the Caribbean

United Nations
**World Food
Programme**

***Soaring Food Prices.
The way forward to face the
Perfect Storm in Latin America***





United Nations
**World Food
Programme**

Soaring Food Prices

The way forward to face the Perfect Storm in Latin America and the Caribbean

I. RISING FOOD PRICES PUSHING MILLIONS BELOW THE POVERTY LINE IN LAC

II. FOOD BASED INFLATION AFFECTING THE MOST VULNERABLE IN LAC

III. WIDER FOOD GAP IN LATIN AMERICA

IV. **PREEXISTING CONDITION** SPECIALLY AFFECTING CENTRAL AMERICA & HAITI

V. NEGATIVE PRECONDITIONS WORSENERD BY FOOD PRICES IN CENTRAL AMERICA

VI. RESULTING IN AUGMENTED NUMBER OF POOR IN CENTRAL AMERICA AND HAITI

VII. RECURRENT NATURAL DESASTERS WORSENERD THE CONDITIONS OF THE MOST VULNERABLE

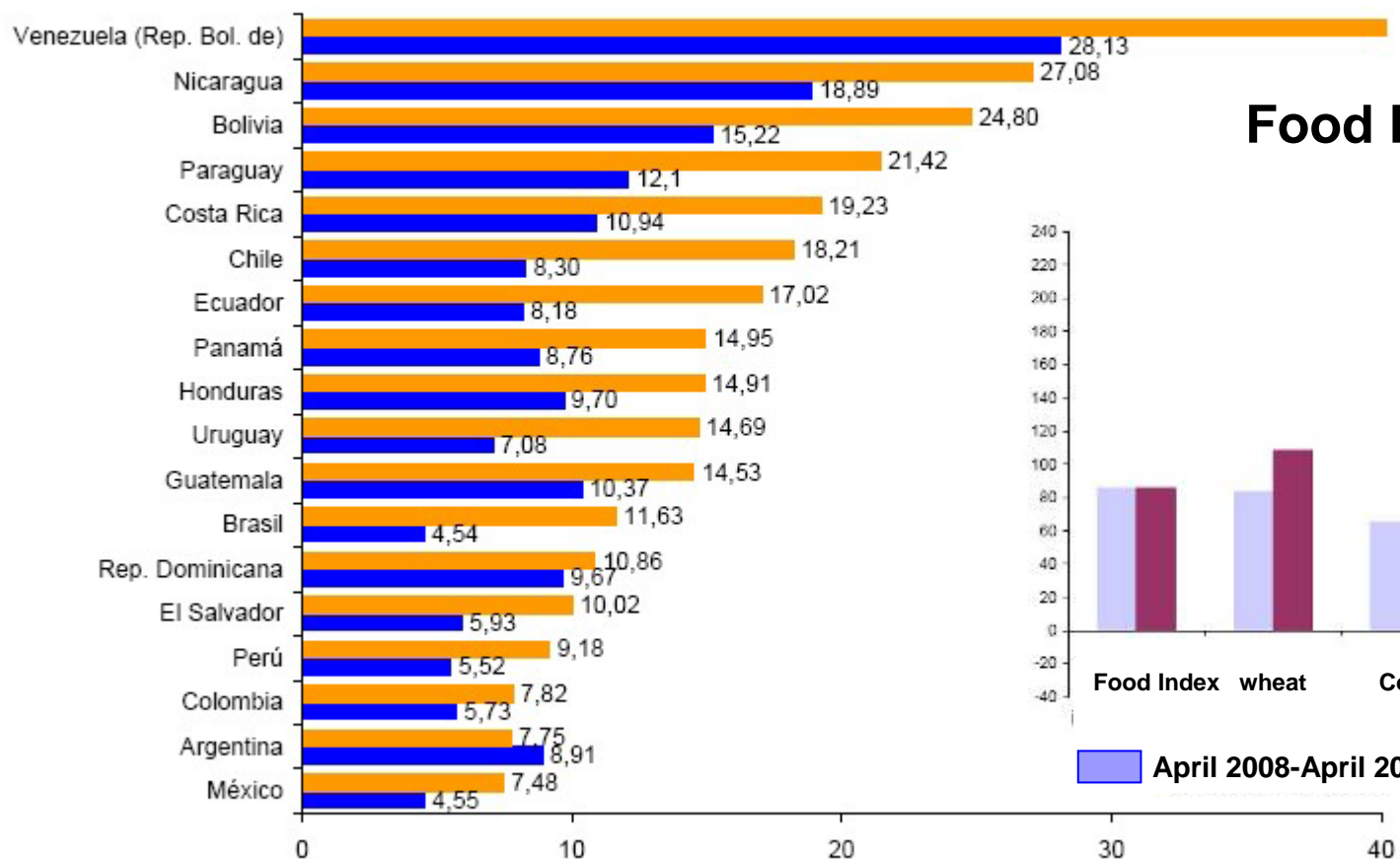
VIII-IX-X. **THE WAY FORWARD:** WHAT WFP IS DOING TO TACKLE SOARING FOOD PRICES



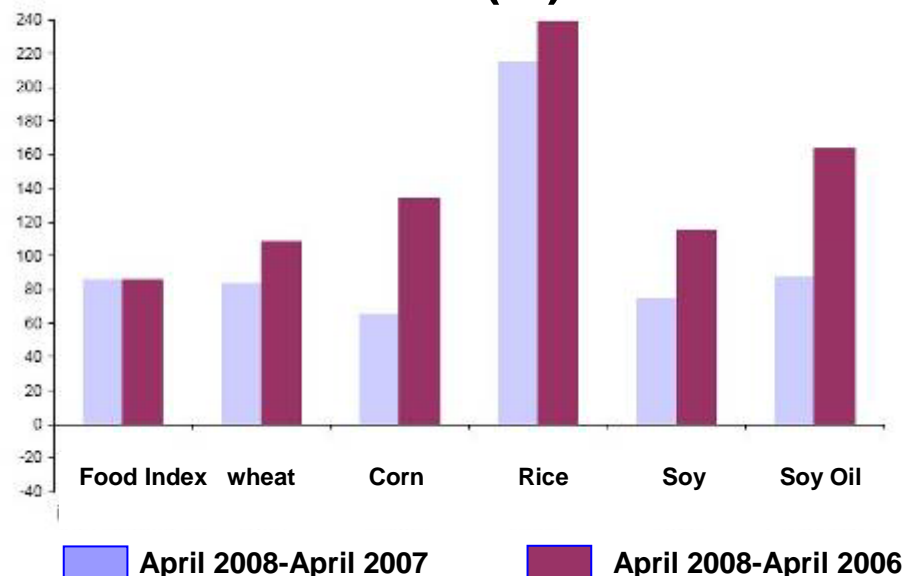
United Nations
World Food
Programme

RISING FOOD PRICES PUSHING MILLIONS BELOW THE POVERTY LINE

Consumer Price Index. April 2008 Variation in 12 months.(%)



Food Price increases. (%)



■ Consumer Price Index (Total) ■ Consumer Price Index (Food)

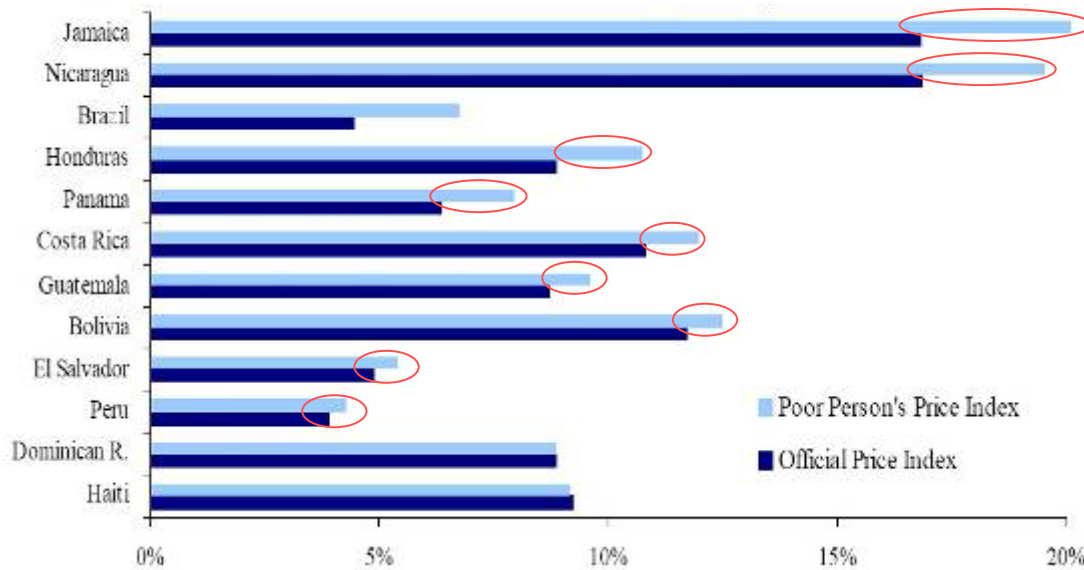


United Nations
World Food Programme

FOOD BASED INFLATION AFFECTING THE MOST VULNERABLE

Food inflation, 2007
(as a percentage)

Official Inflation Vs Poor People's Inflation (2007)



The poorest to bear the highest burden



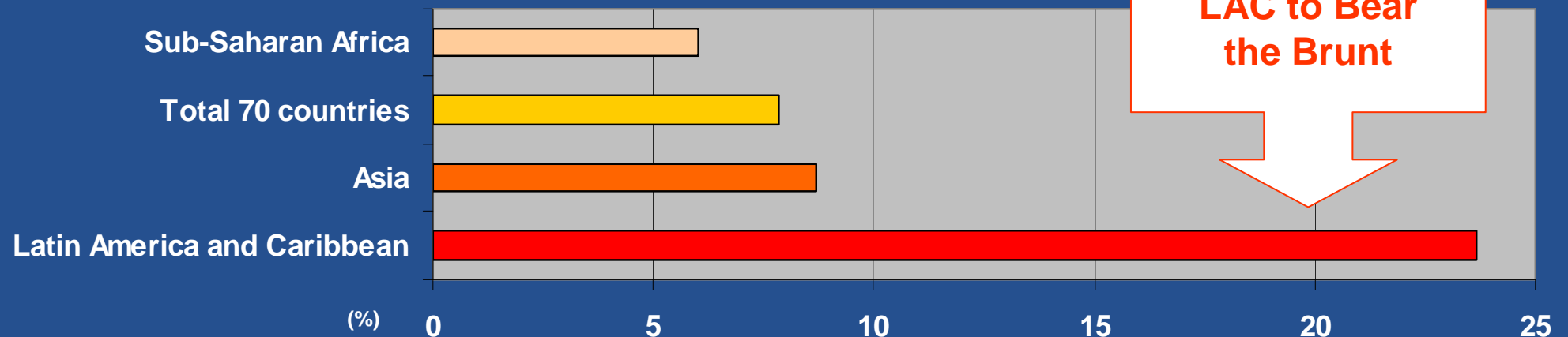
United Nations
World Food
Programme

WIDER **FOOD GAP** IN LATIN AMERICA

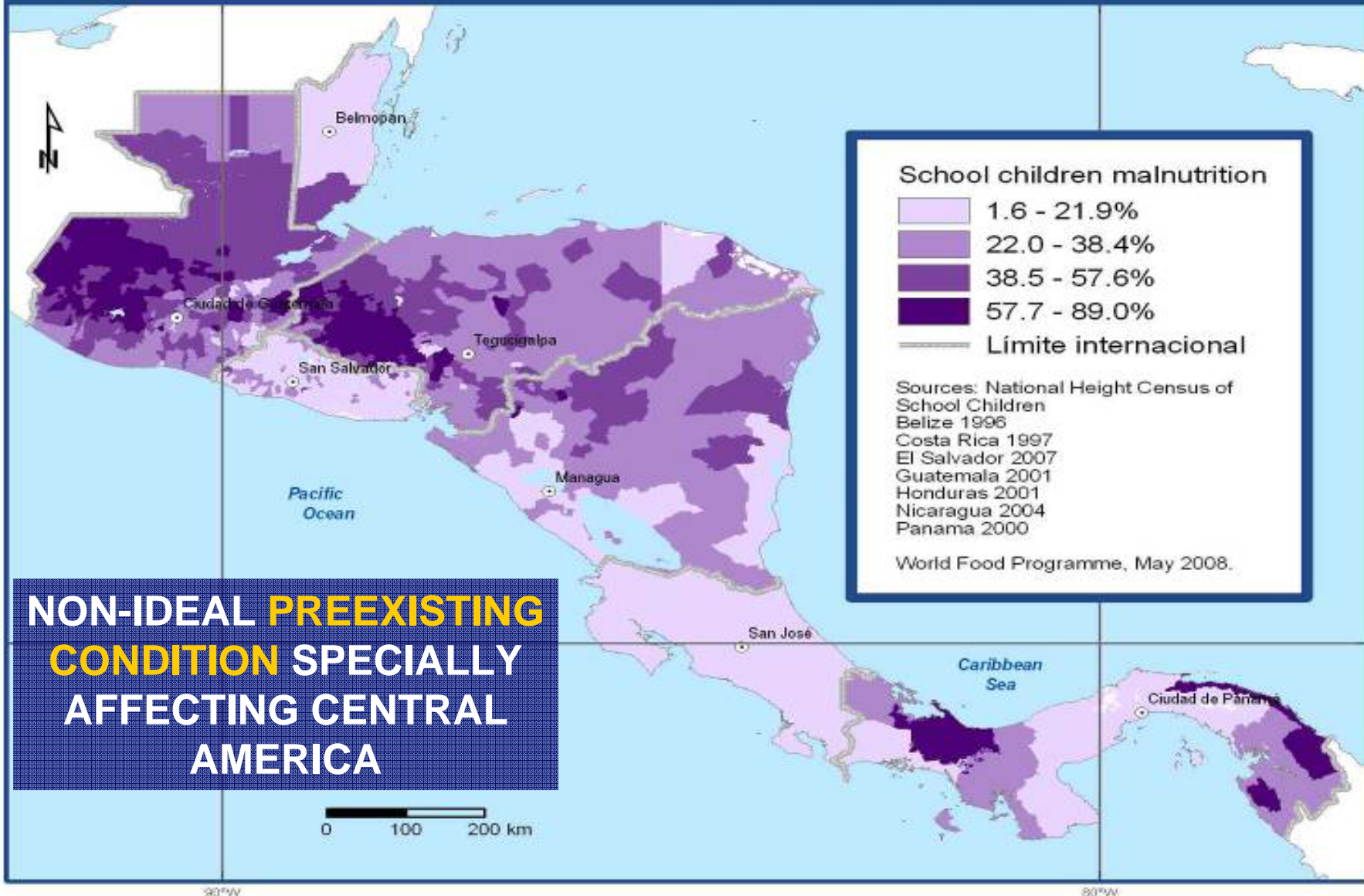
Food gap, 2016: **Baseline** vs. **price shock** scenario

	Base (Million Tonnes)	Price shock (Million Tonnes)	Percentage Change(%)
Sub-Saharan Africa	20.15	21.36	6.01
Total 70 countries	25.24	27.22	7.84
Asia	3.62	3.94	8.67
Latin America and Caribbean	1.42	1.76	23.67

Source: USDA, ERS



Chronic Malnutrition in School Children



**NON-IDEAL PREEXISTING
CONDITION SPECIALLY
AFFECTING CENTRAL
AMERICA**

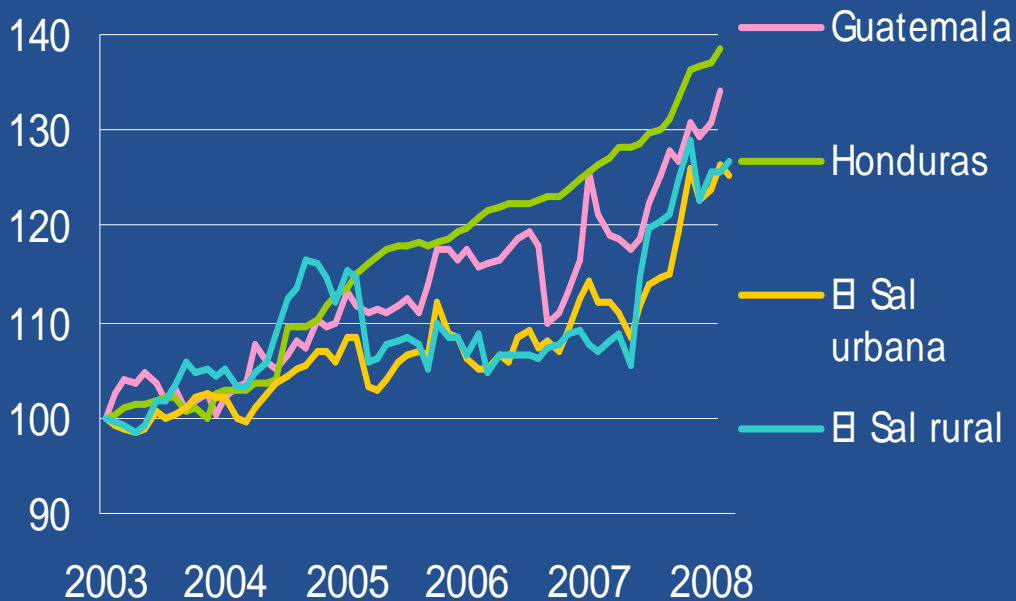
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations



United Nations
World Food
Programme

NEGATIVE PRECONDITIONS WORSENERD BY SOARING FOOD PRICES IN CENTRAL AMERICA

Index of nominal cost of basic food basket
(100=January 2003)



TORTILLA INDEX*

% Variation between
Jan. 2007 - Jan. 2008,

Guatemala 23%

El Salvador 32%

Nicaragua 54%

*Prices of Tortilla, as per Food Basket surveys (national) WFP ODP VAM UNIT

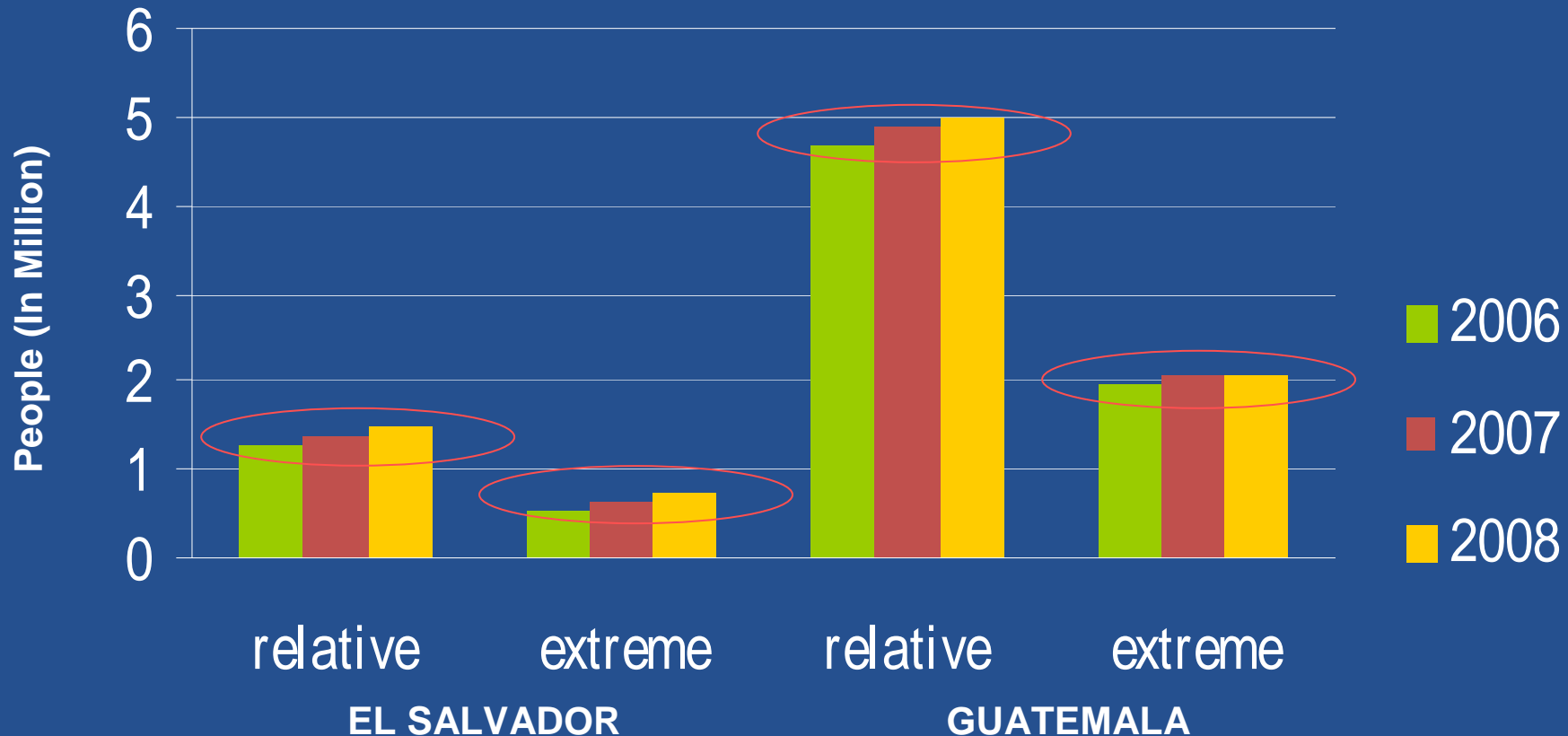
Coping
Strategy
Observed



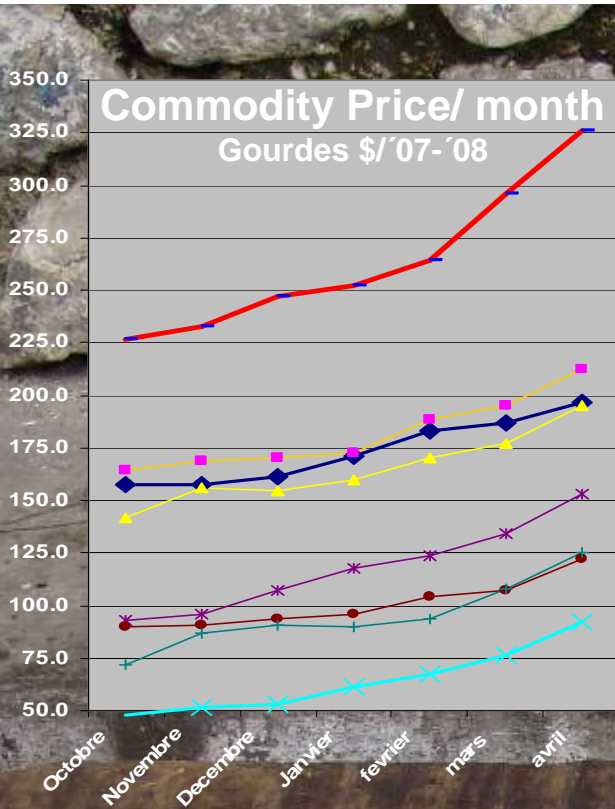


RESULTING IN AUGMENTED NUMBERS OF POOR IN CENTRAL AMERICA

Estimate of number of poor in 2006, 2007 and simulation for 2008

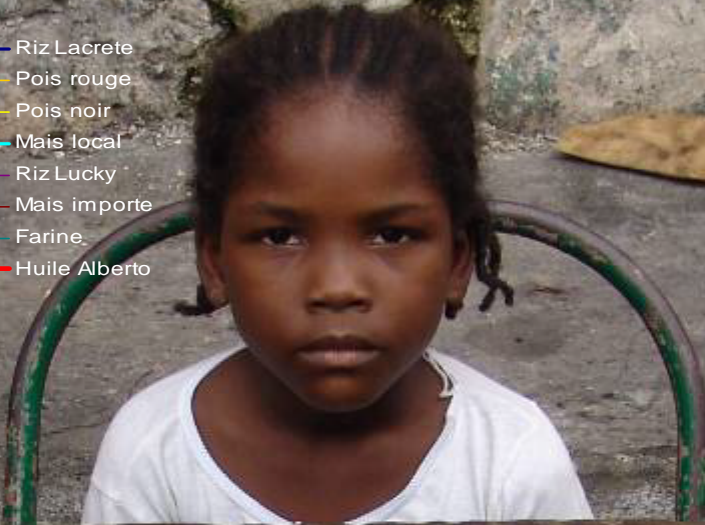


500,000 people in El Salvador & Guatemala, have fallen into poverty and turned new food insecure due to this crisis



APRIL 2008
1 USD = 1/2 MEAL

In effective terms, with the same amount of money people purchase 50% less food than they did 6 months ago. This means their nutritional intake, on an already poor diet, could be cut by half.

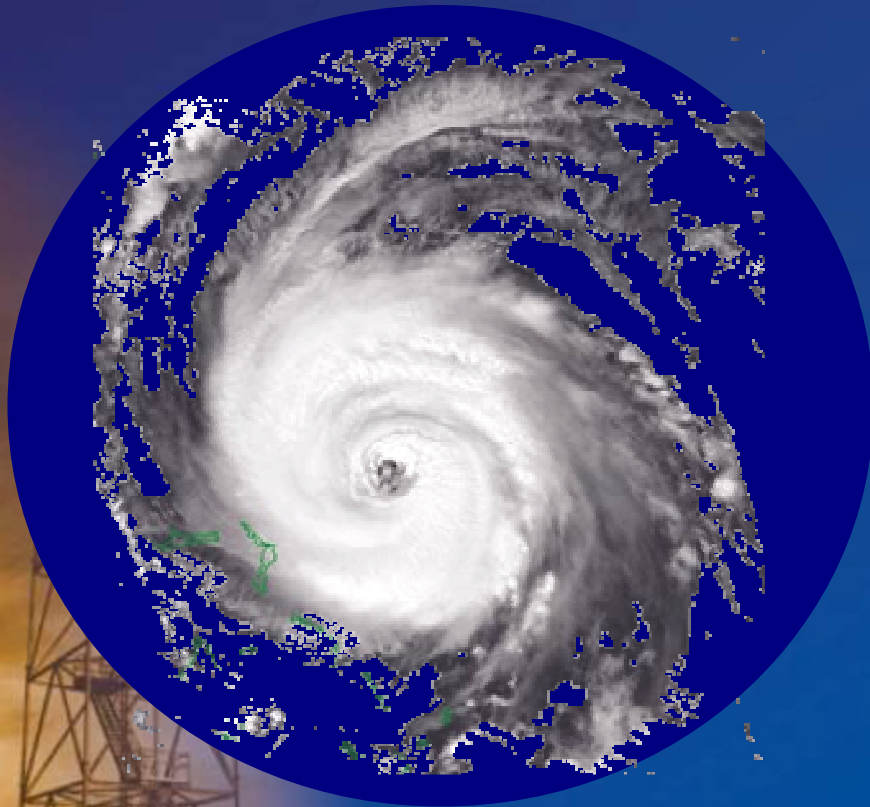




United Nations
World Food
Programme

RECURRENT NATURAL DISASTERS WORSENING THE CONDITIONS OF THE MOST VULNERABLE

**90% Chance of Near Normal
or Above Normal Season**



**60% – 70% probability
for each range**

Named Storms	12 - 16
Hurricanes	6 - 9
Major Hurricanes	2 - 5

Arthur, Bertha, Cristobal, Dolly, Edouard, Fay, Gustav, Hanna, Ike, Josephine, Kyle, Laura, Marco, Nana, Omar, Paloma, Rene, Sally, Teddy, Vicky, Wilfred ,



United Nations
**World Food
Programme**

EXAMPLES OF COUNTRY-SPECIFIC AND REGIONAL INITIATIVES SUPPORTED BY WFP TO TACKLE SOARING FOOD PRICES (I)

Haiti

- Scaling up programmes using the existing implementation mechanisms and increasing the number of beneficiaries from 800,000 to 2.3 million, starting from May through immediate general food distribution for 200,000 most vulnerable urban populations
- Food rations to additional 1.1 million beneficiaries from vulnerable families through school take-home rations as a safety net to protect households' income and allow them to maintain adequate food consumption and avoid deterioration of their health and nutritional status;
- Providing a daily meal for extracurricular activities during the school break for 200,000 children.
- Preparing an emergency food security assessment (EFSA) and strengthening, together with FAO, the National Coordination for Food Security (CNSA).





United Nations
**World Food
Programme**

EXAMPLES OF COUNTRY-SPECIFIC AND REGIONAL INITIATIVES SUPPORTED BY WFP TO TACKLE SOARING FOOD PRICES (II)

El Salvador

Support in school feeding (procurement, quality control, and programme expansion).

Established SATCA (Central American Early Warning System); Establishing SISVIN (nutritional surveillance in support of Ministry of Health); FSMS - piloting a food security monitoring system in support of Ministry of Agriculture; Vulnerability assessment and mapping (VAM).

Piloting purchases from small farmers; food for work – disaster prevention / mitigation.

Technical assistance in revising the basic food basket and to elaborate and implement an integrated national plan to prevent/ reduce and control micronutrient deficiencies.

Ongoing regional study on markets, prices and food and nutritional security in collaboration with WB, FAO, IFPRI.

Co-organized with SICA, the “Foro Centroamericano - Precios, Mercados y Seguridad Alimentaria” (26-27 May 2008) – sponsored by the WB, IFPRI, USDA, ECLAC, Ministry of Agriculture and PRESANCA) - to facilitate priority identification and policy and programme harmonization.

Possibility of supporting government in complementing cash transfers (Red Solidaria) with nutritional interventions targeting young children at risk.

Guatemala

Supporting farmers to produce maize as input for locally produced fortified blended food “Vitacereal” and facilitating marketing channel between farmers and the industry.

Piloting purchases from small farmers.

Bolstering Government’s efforts to address hunger through recently approved UN joint programme in support of the National Strategy to Reduce Chronic Malnutrition.

Monitoring acute malnutrition; refining VAM through focus groups interviews.

School feeding, Food for work – disaster prevention / mitigation.

Technical assistance to elaborate and implement an integrated national plan to prevent/ reduce and control micronutrient deficiencies.

Pending funding, possibility of scaling up FFW activities, school feeding and responding to Government’s request to assist one third of 93,225 vulnerable families under the “Plan de Atención Coyuntural a la Situación Alimentaria y Nutricional” for 3 months, including “Vitacereal”.



United Nations
**World Food
Programme**

EXAMPLES OF COUNTRY-SPECIFIC AND REGIONAL INITIATIVES SUPPORTED BY WFP TO TACKLE SOARING FOOD PRICES (III)

Regional Level

- ◆ Since 2005, knowledge sharing, technical assistance and facilitation of South-South and triangular cooperation within the framework of the **Regional Initiative "Towards the Eradication of Child Undernutrition in Latin America and the Caribbean"**.
- ◆ National plans to combat child chronic undernutrition approved / being finalized in all Central American countries, Panama and the Dominican Republic.
- ◆ On May 5th 2008 the Vice-President of Guatemala, Ministers and Vice-ministers of Social Development, Health, and Planning and high level technical officials of national health and nutrition programmes of the **33 countries of the region**, international and regional experts, representatives of UN agencies and members of civil society met in Santiago de Chile to commit to eradicating child undernutrition .
- ◆ The high level event stressed the importance of national social protection programmes as key interventions to protect child nutrition and safeguard the advances already made toward the achievement of the MDGs in the region, **specifically in the current context of the global food prices emergency**.





United Nations
World Food
Programme

DONOR RESPONSE TO LAC

HAITI

Donor	Contribution (USD)
U.S.A.	23,369,100
CANADA	19,890,913
CARRYOVER PREV.OP.	6,818,180
FRANCE	3,723,568
UN CERF	3,329,279
MULTILATERAL	2,081,748
SWITZERLAND	1,461,724
SPAIN	788,643
IRELAND	368,732
BRAZIL	200,000
ITALY	155,763
ARGENTINA	100,000
LIECHTENSTEIN	96,340
MEXICO	50,000
ANDORRA	44,248
PERU	20,000
PRIVATE DONORS	5,040

Total received: USD 62,503,278

Enough to meet augmented needs of 2008

Thanks to a very generous response of the donors and the support of the Rome-Based Friends of Haiti Group, since April WFP Haiti has received an additional USD 48 million out of which USD 33 million have been used so far to purchase life-saving food that is expected to arrive between June and

August avoiding a pipeline break.

Shortfall for 2009: USD 61,365,930

REST OF LATIN AMERICA & THE CARIBBEAN

	Project Number	Project type	Sum of 2008 Total Project Mobilized	Sum of 2008 Project Shortfall (US\$) as at 14 May 2008
Bolivia	10596.0	DEV	2,372,978	-
	10616.0	IEFR	6,253,226	-
Colombia	10366.0	PRRO	12,014,562	-
	10588.0	PRRO	8,281,887	15,916,451
Cuba	10032.0	DEV	849,727	3,250,446
	10589.0	DEV	1,884,956	1,070,303
	10719.0	IEFR	-	497,579
Dominican Republic	10714.0	IEFR	2,140,621	795,126
	10722.0	IEFR	-	495,203
Ecuador	10443.0	PRRO	-	2,202,070
	10558.0	IEFR	89,765	-
	10738.0	IEFR	-	479,830
Guatemala	10092.0	DEV	2,713,397	-
	10457.0	PRRO	5,556,918	1,527,666
Honduras	10538.0	DEV	2,671,169	-
L.A & Caribbean	10411.0	DEV	1,631,891	874,214
	10421.0	DEV	478,692	1,865,077
	10444.0	PRRO	4,343,951	14,696,560
Nicaragua	10597.0	DEV	10,297,398	-
	10700.0	IEFR	4,450,507	-
Peru	6240.0	DEV	3,832,142	-
	10601.0	DEV	-	800,000
	10691.0	IEFR	2,474,587	1,584,588
TOTAL			\$72,338,373	\$46,055,115



United Nations
**World Food
Programme**

Latin America & the Caribbean

Gracias!

