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Guatemala

Agricultural Situation

Effects on Agriculture Due to Hurricane Mitch 1998

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Report Highlights:

While there are certain areas greatly affected by Mitch's heavy rains and winds, the overall effect on basic grains was not serious enough to cause major food supply disruptions. More serious was the impact on major export crops including coffee, bananas and melons. Post storm, Guatemala's biggest challenge is infrastructure: major access roads are blocked, damaged or destroyed, shipping and storage facilities are flooded or damaged, and farmers will have problems transporting products in and out of harvest areas.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Guatemala, Guatemala

Following is The Ministry of Agriculture's assessment of the overall damage to major crops

PRODUCT	HECTARES AFFECTED	LOSS IN METRIC TONS	VALUE IN U.S. DOLLARS
Tomato	478	10,271	4,165,000
Corn	10,129	27,696	5,795,500
Beans	1,206	1,274	1,209,445
Hot Peppers	20	91	43,832
Tobacco	1,066	2,084	3,484,526
Sorghum	3,823	6,064	913,000
Potato	149	3,099	596,000
Coffee	55,778	44,168	93,000,000
Onion	79	1,218	219,773
Sesame Seed	3,871	2,488	1,642,485
Plantain	2,900	56,781	4,747,000
Fruits	23	1,194	119,773
Watermelon	8	144	96,121
Melon	2,240	41,806	11,361,212
Sugar Cane	15	1,142	7,636
Citrus	115	23	4,545
Cucumber	10	544	110,000
Snow Peas	115	293	120,750
Bananas	10,850	660,474	157,950,000
Peanuts	200	136	136,363
Produce	4,155	6,933	1,417,250
TOTAL	97,230	867,923	287,140,211

Agriculture overall:

Most of the damage to agriculture from Hurricane Mitch was in export-oriented crops. Total losses in agriculture amount to 16-20 percent of annual export earnings. Since agricultural exports account for some 40 percent of total exports, these losses will affect the economic picture in the coming year. The majority of the damage was concentrated in the departments of Izabal, Zacapa and Alta and Baja Verapaz. Izabal is the main banana producing area in the country. Most melon production is concentrated in Zacapa as well as 5 percent of the national coffee production. In Alta and Baja Verapaz there are a wide range of crops from black beans, corn and rice to coffee. Approximately 15 percent of the national coffee production is concentrated in these two departments.

Grain situation:

Overall, the effect on basic grains was not serious enough to cause major food supply disruptions. 75 percent of the corn in the country was already harvested and only 35 percent of the remaining was damaged in the Departments of Izabal and Alta and Baja Verapaz. Corn damage is estimated at 3 to 5 percent. However, it is still unclear how much local stocks were affected.

Rice damage was around 3 to 4 percent overall. Over 90 percent of the crop was harvested at the

time of Mitch and the only area that had losses was the area of Polochic, which lost around 10 percent of their crop.

Black beans were also slightly damaged, mainly in the areas of Izabal and Alta and Baja Verapaz.

Guatemala is not facing a problem in grain production since losses were minimal. The biggest challenge now is transportation, shipping, storage and access to the farming areas since infrastructure was the area that was mostly hit by Mitch.

Grain prices have slightly increased in the past few weeks, mostly due to speculation. However, the Government is somewhat concerned about the creation of scarcity through supplies moving to Honduras and El Salvador where grain prices are more attractive. So far there has been no prohibition on the export of grains.

Coffee situation:

Due to Hurricane Mitch, coffee production is expected to be lower by 20% and further damage is predicted for the 1998/99 crop due to weather conditions. Exports are expected to decrease from 3.6 million 60 kg bags in 1998 to 2.9 million 60 kg bags in 1999.

REGIONS	INFRASTRUCTURE	DAMAGE
San Marcos, Quetzaltenango, Retalhuleu, Suchitepequez, Solola, Pochuta and Huehuetenango	Slight obstruction of roads Normal range of rains	Some cracks in fruits. A delayed harvest increases the risk of falling fruit.
Santa Rosa, Jutiapa, El Progreso, Guatemala, Sacatepequez, Escuintla	Main and auxiliary roads blocked. Destroyed bridges, difficult access.	Cracks in fruits, around 10% loss due to fallen fruit
Alta Verapaz, Baja Verapaz	Minimum availability of drinking water. Blocked roads and access ways. Polochic Valley impenetrable. Coffee mills flooded. Bridges to small villages destroyed.	Some wiped out areas Increase in funguses and coffee diseases. Fallen fruit. Production in the area is estimated between 20% and 30%.
Zacapa, Chiquimula	4 bridges damaged or destroyed 70% of roads impassable due to landslides. Difficulties getting water to mills.	Cracked and fallen fruit. Production loss is estimated between 25 and 35 percent

Sugar Cane situation:

Sugar officials reported that crop damage was minimal and that the main problem will be a delayed harvest.

Cattle situation:

According to the Guatemalan Cattlemen Association damage is estimated at 10,000 heads. Beef availability will be normal and imports are expected to be steady. Cattle prices are forecast to increase by December from \$0.50 to \$0.60 per pound, mostly due to the movement of cattle from Guatemala to Honduras, a reversal of the normal trade.

Government incentives:

The GOG is prepared to lower import tariffs if necessary to keep prices down, so far import tariffs remain the same.