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## Floods, Drought, and a Coffee Crisis

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Drought in much of Central America, coupled with floods, credit shortages, and the devastating collapse of world coffee prices (see NotiCen, 2001-06-07), have brought unemployment and starvation to parts of the region, particularly among rural migrant workers in Nicaragua. The UN's World Food Program (WFP) estimates that 610,000 campesinos in Nicaragua and Honduras have been affected. Honduran authorities are describing the crisis there as one of the worst in its history. Drought-stricken areas in the south, west, and central zones reported crop losses of basic grains at between 88% and 100%.

In mid-July, the Honduran government declared a state of food emergency in the central departments of Olancho, Comayagua, and Francisco Morazon, the western departments of Intibuca and La Paz, the departments of Valle and Choluteca in the south, and El Paraiso in the east. The declaration allows the government to use emergency stores of basic grains. The plan is to distribute 4,600 metric tons of grain in the drought areas through municipal offices, churches, and other organizations.

The WFP has promised an additional 4,000 MT of basic grains. The government says it will send US \$193,000 into the zones for seed purchases since the crop failures this year mean a shortage of seeds for planting in the next cycle. Japan has promised US\$2.58 million for irrigation projects, and other funds are coming from the US Agency for International Development (USAID).

In Panama, the Instituto de Mercadeo Agropecuario (IMA) estimates that half the corn crop has been lost and that, in the hardest hit central areas of the country, the drought has killed thousands of cattle with a market value of US\$1 million. Rice crops in the central provinces of Coclé and Veraguas have also been hurt. The drought has been less severe in El Salvador and Guatemala, and widespread hunger has not been reported in those countries.

### *Nicaragua hardest hit*

The drought has hit Nicaragua in the west and central areas where the Agriculture Ministry says 64,000 basic-grain producers have been affected. Rains and flood conditions in Prinzapolka and other Caribbean coastal communities have left an estimated 6,500 people including 2,300 children destitute in 21 communities. Authorities said families in those areas were getting by on bananas and mangoes plus small amounts of rations provided by the Defensa Civil and Accion Medica Cristiana. The Instituto Nicaraguense de Fomento Municipal (INIFOM) is providing US\$1,114 in relief funds. In the northern and western zones of Nicaragua, 144,000 people are facing starvation. Human rights groups reported that, as of late July, 11 campesinos in northern municipalities had died of hunger since the crisis began.

Most coffee producers in the area are going bankrupt, unable to pay debts or find credit to keep their operations going. Notimex reported in mid-July that some 80 unemployed coffee workers and their families had migrated to Matagalpa and were camped out in the city's Los Monos park waiting for some kind of relief. The group had fled coffee plantations in the municipalities of El Tuma-La Dalia and San Ramon in the interior of Matagalpa department north of Managua. Mayor Manuel Zuniga of El Tuma-La Dalia said that 800 families in that municipality of 64,000 inhabitants had no means of subsistence and that, if the government did not act soon, most of them would migrate to Matagalpa. The coffee industry usually employs as many as 80,000 permanent workers and up to 220,000 during harvest time.

For the time being, the refugees are surviving on handouts from private organizations and the local government, but Matagalpa Mayor Zarach Zeledon said he begged the central government for assistance to offset the burden of hundreds of refugees arriving from the interior. Within 10 days in July, 1,000 families had moved to Los Monos park and other improvised camps. He said the situation in the camps was not sustainable because of inadequate supplies and sanitary facilities. Zeledon said the crisis was predictable as early as the end of 2000 when the depression in coffee prices became obvious. Export earnings from coffee dropped by 50% during the course of last year. "There is no will to resolve the problems," Zeledon said. Zeledon, a member of the opposition Frente Sandinista de Liberacion Nacional (FSLN), calculated that refinancing plantation operations in the area would cost US\$50 million plus needed investments in rural housing and other social programs.

The crisis also threatened to complicate the government's attempts to pacify the north and central zones where bands of former civil-war combatants (rearmados) continue to operate (see EcoCentral, 1998-09-10, NotiCen, 2001-06-07). Some of the rearmados are recruiting among the landless and unemployed rural workers, and at least 40 have joined the rearmados, according to Buenaventura Gutierrez Rizo, head of the coffee growers association (Union Nicaraguense de Cafetaleros, UNICAFE). Gutierrez blamed "governmental irresponsibility" for the crisis.

Echoing Mayor Zeledon's comments, Gutierrez said his organization warned President Arnoldo Aleman's administration of the impending crisis in coffee last year, but Aleman worsened the situation by applying neoliberal remedies and using the crisis as a political club against opposition parties. The administration, he said, is leaving resolution of the crisis to the next president.

### *Campeños refuse short-term solution*

Jamilet Bonilla, head of the government's Secretaria de Accion Social (SAS), sent investigators to Los Monos and reported that, in addition to those in the park, hundreds of other refugees had been forced off the coffee plantations by the owners. Bonilla said the government would have to keep the unemployed out of the cities because city resources could not meet additional demand for public services. In mid-July, the administration offered temporary public employment at US\$2.31 per day to families who had migrated within the northern areas of the country. The three-month program would be financed with a special US\$149,141 fund. The families in Los Monos park turned down the offer because the three-month program did not address the underlying economic problems.

A spokesperson for the families told Spanish News Service EFE that what the unemployed needed was permanent work, schools, and health centers. Instead of returning to idle coffee plantations, leaders of the Los Monos encampment threatened to go to Managua and present their demands in front of the presidential residence. SAS representative Pablo Sanchez and Interior Ministry representative Jaime Cuadra asked them not to do it because such a demonstration would "sully the image of President Aleman." Edmundo Gutierrez, Centro Nicaraguense de Derechos Humanos (CENIDH) delegate in Matagalpa, said the hungry campesinos in the park understood that the only reason for the government's offer was "to get them out of the city."

On July 3, the government offered US\$197,400 in credit from the central bank to help coffee growers pay off old debts from the 2000-2001 crop year. Growers' representatives said the credit was "a joke" because it could not begin to rescue them from debt. A group of nongovernmental organizations (NGOs) asked Aleman to declare a state of emergency, but the president was out of the country at the time on an extended trip to Taiwan, Indonesia, India, Brunei, and the Arab Emirates. The timing of the trip raised questions about Aleman's interest in the drought, floods, and starving campesinos. Aleman's costly junkets and the crisis have become issues in the presidential election campaign.

Asked about the July trip, presidential candidate Enrique Bolanos of the governing Partido Liberal Constitucionalista (PLC) said that, if elected, he would run an austere administration, and that, in the meantime, SAS should distribute its limited funds in the affected areas. Human rights ombud Benjamin Perez said the crisis in the coffee region was the result of bank failures and the government's waste of central-bank reserves in a vain attempt to cover the bank losses. The government's negligence in confronting the crisis is a violation of human rights, he said.

Roberto Teran, president of the Consejo Superior de la Empresa Privada (COSEP), said the administration had to make credit available to coffee growers in Matagalpa and other areas affected by the mass migration of the unemployed. The conclusions being drawn in El Salvador are much the same. Mario Salaverria, president of the Camara Agropecuaria y Agroindustrial de El Salvador (CAMAGRO), said neoliberal policies had ignored agriculture and "asphyxiated" that sector. The government's policies focus on "mercantilism," he said, and offer no protection to agriculture. "It will be very hard for national agriculture to survive."

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