



# World Food Programme

## Monthly Price Update Guatemala, January 2013

### Highlights:

- ⇒ In December 2012, the national average retail price of maize tortillas increased by 0.17% on a month-on-month basis. However, the price has increased by 4.36% since January 2012. Maize is the main staple in Guatemala.
- ⇒ Retail prices of major food commodities (Basic Food Basket/Annex 1) are generally stable in most of the markets in the country.
- ⇒ Slight increase (0.54%) in CPI and an increase (0.53%) in food and non-alcoholic beverage index was reported for the month of December 2012.
- ⇒ The inflation rate in 2012 was 3.45%, according to the Central Bank of Guatemala. The Central Bank of Guatemala set an annual inflation target for 2012 between 3.5 and 5.5 percent.

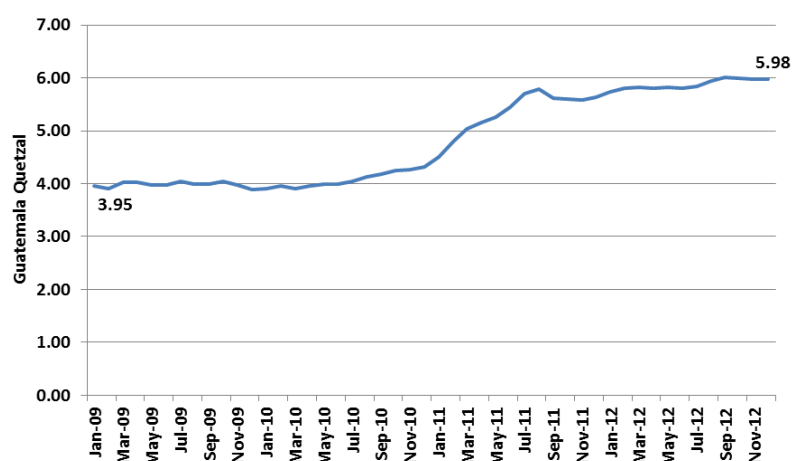
### Tortilla Index:

Maize tortillas continue its inflationary upward trend. Since January 2009, prices have increased by 51%.

The highest ever recorded price occurred in September 2012 (Q6.01per Lb.). The price of white maize and liquefied petroleum gas (LPG) are key components influencing the price of tortillas.

White maize is the staple food in the form of tortillas. Yellow maize is imported for animal feed. FAO states that maize and maize products accounted for 36% of the total dietary energy supply (DES) in 2005 -07.

Figure 1: Average retail price of maize tortillas (Lb.)



Source: National Institute of Statistics

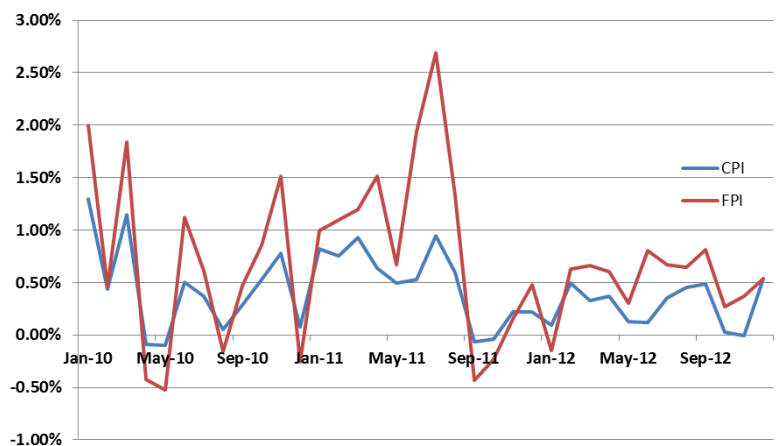


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## Consumer Price Index:

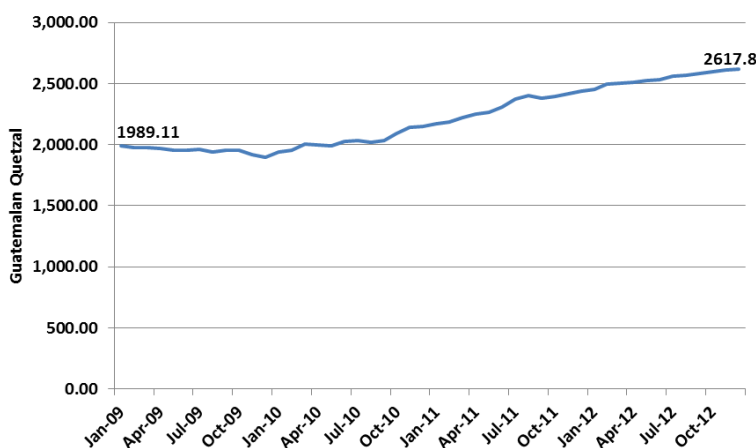
The Consumer price index (CPI) for December 2012 increased by 0.54% month-on-month (Figure 1). The increase in housing mainly contributed to the increase in consumer prices. However, Food and nonalcoholic beverage prices<sup>1</sup> (FPI) increased by 0.53 percent from November 2012. Since January 2012, the CPI increased by 3.45%, while the FPI increased by 6.17%. The increased food prices will affect vulnerable families the most. WFP's latest EFSA 2012, showed that households, with a borderline and poor food consumption score, spend up to 76% of their expenses on food.

**Figure 2: Month-on-Month change in consumer price index and food price index**



Source: National Institute of Statistics

**Figure 3: Price of Basic Food Basket**



Source: National Institute of Statistics

## Basic Food Basket:

The Price of the basic food basket continues to show an upward trend. The price of the basic food basket increased by 0.33% from November 2012 to December 2012. Since January 2012, the basic food basket has increased by 6.86%, and since January 2009 it has increased by 31.61%.

The basic food basket covers the minimum kilocalories of a family of 5.34 individuals for a period of one month. It is composed of 26 food items (Annex 1).

<sup>1</sup>The FPI is composed of 74 items, while the Basic Food Basket is composed of 26 food items.

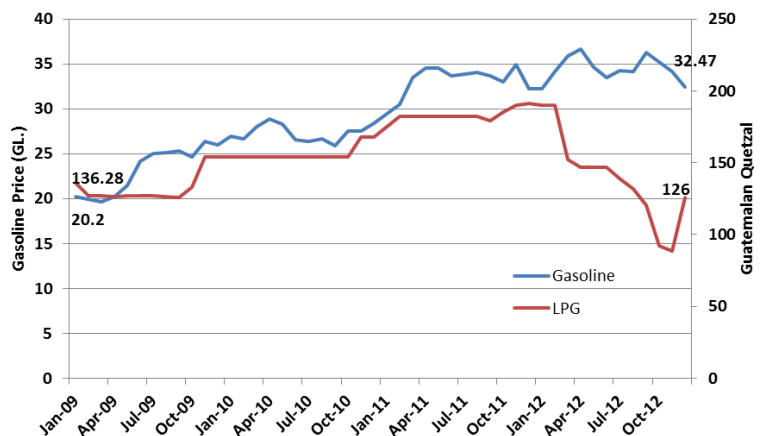


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## Fuel Prices:

The latest data from the Ministry of Energy and Mines was reported in December 2012. Retail price of gasoline has stabilized in 2012. However, since January 2009 prices have increased by 60%. The price of Liquefied Petroleum Gas (LPG), the wide used fuel for cooking, increased by 42% since November 2012. in the same period. However, the price has decreased by 34% since January 2011.

Figure 4: Gasoline and LPG prices



Source: Ministry of Mines and Energy

## Outlook:

- ⇒ On 7 November 2012, an Earthquake (magnitude of 7.2 on the scale of Richter) struck off the pacific coast of Guatemala. The earthquake, about 20 miles deep, was centered 15 miles off the coastal town of Champerico and about 100 miles southwest of Guatemala City.
- ⇒ Damage to productive infrastructure from the earthquake could lead to lower levels of income during the next three months. In addition, households will increase their non food expenses in reconstruction efforts.
- ⇒ MFEWS reports that a reduction in the likelihood El Nino will materialize. This should signify neutral conditions during the next three months. Accordingly, no changes are projected with regard to the start of the rainy season in 2013.



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## Annex 1: December Average Retail Prices of Basic Food Basket Commodities<sup>1</sup>

Product	Unit	Current Price	Change in Price %			Level of Fluctuation			
			Nov 12- Dec 12	Sep 12- Dec 12	Dec 11- Dec 12	Nov 12- Dec 12	Sep 12- Dec 12	Dec 11- Dec 12	
<b>Basic Food Basket</b>	<b>Household (5.34 persons)</b>	<b>2617.80</b>	<b>0.33%</b>	<b>1.26%</b>	<b>7.28%</b>	<b>→</b>	<b>→</b>	<b>→</b>	
<b>Dairy</b>	Fresh Cream	250ml	8.60	0.58%	1.53%	4.62%	→	→	→
	Fresh Cheese	460gms	31.98	0.98%	3.66%	12.33%	→	→	→
	Milk	1000ml	11.74	0.09%	0.69%	2.53%	→	→	→
	Powder Milk	460gms	40.19	0.27%	1.06%	3.42%	→	→	→
<b>Meat</b>	Chicken with Giblets	460gms	13.79	0.44%	2.07%	5.35%	→	→	→
	Beef (with bones)	460gms	11.62	0.87%	1.84%	14.15%	→	→	→
<b>Eggs</b>	Medium Eggs	648gms	17.19	0.94%	4.56%	22.79%	→	→	↑
<b>Beans</b>	Black Beans	460gms	5.73	-0.87%	-0.69%	4.37%	→	→	→
<b>Cereals</b>	Rice (2 Ordinary Quality)	460gms	4.24	0.24%	0.95%	2.91%	→	→	→
	Maize Tortillas	460gms	5.98	0.17%	-0.50%	6.22%	→	→	→
	Bread	460gms	10.37	0.97%	3.70%	9.74%	→	→	→
	Sweet Bread	460gms	9.24	-0.43%	0.76%	6.57%	→	→	→
	Pasta	460gms	6.11	0.49%	0.00%	2.69%	→	→	→
<b>Sugar</b>	White Refined Sugar	460gms	3.73	0.00%	0.27%	-3.37%	→	→	→
<b>Oils</b>	Margarine	460gms	10.95	0.27%	0.46%	2.72%	→	→	→
	Cooking Oil	750ml	17.16	0.00%	0.12%	6.52%	→	→	→
<b>Vegetables</b>	Zucchini	460gms	4.99	-2.54%	-0.60%	22.91%	→	→	↑
	Green Beans	460gms	7.95	6.28%	9.35%	-12.54%	↑	→	→
	Tomato	460gms	5.43	6.89%	16.03%	-8.89%	↑	↑	→
	Onion	460gms	4.85	0.62%	4.98%	4.08%	→	→	→
	Potato	460gms	5.19	-0.57%	-1.52%	22.12%	→	→	↑
<b>Fruits</b>	Banana	460gms	4.14	0.00%	4.81%	24.32%	→	→	↑
	Plantain	460gms	4.30	1.90%	9.97%	27.22%	→	→	↑
<b>Other</b>	Roasted, grinded coffee	460gms	31.84	0.22%	0.63%	3.04%	→	→	→
	Salt	115gms	.40	0.00%	5.26%	11.11%	→	→	→
	Soft Drink	1000ml	10.09	1.61%	1.82%	3.81%	→	→	→

<sup>1</sup> Source: National Institute of Statistics: IPC Reporte Mensual Diciembre 2012. [www.ine.gob.gt](http://www.ine.gob.gt)

- ↑ Price increase above normal price fluctuation
- Normal price fluctuation
- ↓ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.