

## **Agriculture Sector Overview: El Salvador**

**El Salvador GDP:** \$17 billion (2005) \$20.21 billion (2007)

**Agriculture as a % of GDP:** 39%(1970) 17%(1990) 12% (2005) 11% (2007)

**Agriculture as % of Exports:** 81%(1978) 6% (2005)

### **Major agriculture exports:**

Coffee - 1.5% of GDP (2005)

Sugar - 2.2% of GDP (2005)

**Agriculture imports:** \$884.1 million in 2004 (El Salvador imports approximately 409,400 tonnes of maize and 417,400 tonnes of wheat)

### **Major agriculture products:**

Poultry - 102,000 tonnes (2004)

Cow milk - 413,000 tonnes (2004)

Sugar cane - 5,280,000 tonnes (2004)

### **Aquaculture:**

Marine Shrimp - 363 tonnes (2001) 372 tonnes (2002) 473 tonnes (2003)

Marine Fish - 12 tonnes (2001) 11 tonnes (2002) 3.8 tonnes (2003)

Tilapia - 28.8 tonnes (2001) 405 tonnes (2002) 654 (2003)

### **Land Use:**

Agricultural Land (% of land area) - 82% (2005)

Arable Land + Permanent Crops - 910,000 hectares (2003)

Arable Land - 660,000 hectares (2003)

Irrigated Land - 45/1000 hectares (1 hectare = 2.47 acres) (2004)

Organic Land (as a percentage of total agricultural land) - 0.53% (2005)

Number of Organic Farms - 37

**Agricultural Labor Force:** In 2004, the agricultural sector employed 782,000 workers, or 26% of the workforce (6% work in coffee production). In violation of child labor laws, an estimated 5,000 children work directly in agricultural production, while another 25,000 work alongside their parents.

**Food Security:** El Salvador currently imports 13.1% of its food. The average cost of basic products for a family of four jumped from \$101 to \$123 between April 2007 and March 2008

making it difficult for Salvadoran families fulfill its basic needs. 1 of every 3 children is malnourished in El Salvador.

**Food Assistance from the WFP:** \$5,043,760 (2004-2007)

**CAFTA and the Agricultural Sector:** Three years after the passage of the Central American Free Trade Agreement (CAFTA-DR) economists, government officials, and civil society are still debating its impacts. Among their arguments, proponents contend that CAFTA-DR will result in job growth and economic expansion in El Salvador and other signatory countries by increasing the export of more goods and services. In the case of El Salvador, they cite last year's 7.4% increase in exports as evidence of CAFTA-DR's success. Opponents, on the other hand, argue that CAFTA-DR is already having an adverse affect, pointing out that El Salvador has already lost 11,000 jobs in the agricultural sector alone, and the prices of food and other products have increased significantly. Both may be correct. While some macroeconomic indicators may point to a net gain, it may be coming at the cost of rural farmers who are unable to compete in the new economic model.

But CAFTA-DR, which is only three years old and has not been completely phased in, is not the only influence on the region's economies. Prices of food, oil, and other commodities, for example, are fluctuating around the world, and migratory patterns and remittances are having a number of influences on agricultural and other sectors throughout the region. While all sides of the CAFTA-DR issue have data to back their arguments, it is too early to distinguish the agreement's impacts from other economic and social factors.

**Agricultural Biotechnology Products:** In 2001, El Salvador enacted the Planting Seed Law, which in made it illegal to import, conduct research on, produce, or commercialize genetically modified organism (GMO) seeds. After years of pressure from the private sector and rising food costs, the Government of El Salvador repealed the ban on GMO seeds. Farmers and communities around the country are working to protect their traditional "Creole" seed stock by creating local seed banks and educating others about the potential adverse impacts of GMO seeds (many fear that GMOs produce sterile seed and may have adverse impacts on health). According to the USDA Foreign Agricultural Service, El Salvador does not produce any genetically modified crops and there are no crops under development that will reach the market in 2008. But with the repeal of the ban on GMOs, that is likely to change very soon.



*(Cattle production in the Lower Lempa Region of Usulután)*