



Nepal Food Security Bulletin

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नेपाल खाद्य सुरक्षा अनुगमन प्रणाली
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HIGHLIGHTS AND SITUATION SUMMARY

This issue covers the period of mid-July to mid-November 2014, the first trimester of Nepalese Fiscal Year 2071/72. This bulletin is based primarily on the outcomes of NeKSAP district food security network (DFSN) meetings held in 74 of 75 districts and the results of the NeKSAP household survey, a nationally representative sample survey, collected between October-November 2014. In this period:

- **Most parts of the country were classified as minimally food insecure (Phase I)**, a situation where most households can secure food and non-food needs without changing livelihood strategies.
- There were severe floods and landslides in some districts, particularly Banke, Bardiya, Surkhet, Dang, Kailali and Sindhupalchoak, that impacted livelihoods and food security. As a result, DFSNs classified **6 VDCs of Surkhet** (Taranga, Lekhparajul, Hariharpur, Tatopani, Ghatgaon and Dharapani) **as highly food insecure (Phase III)**.
- DFSNs classified an additional **127 VDCs in 7 districts as moderately food insecure (Phase II)**.
- **Sale of agricultural products (including livestock), daily wages, and remittances were major income sources** that contributed to improved household food security, with their share in household income at 30, 27 and 19 percent respectively.
- The main paddy and maize harvests were completed in most parts of the country. **Average household cereal stock was 372 kg, which provides roughly 4.7 months of staple food sufficiency for an average household.**
- According to the NeKSAP household survey, **85.8 percent of households had adequate food consumption.** Since the last period, overall, household food consumption and dietary diversity have improved.
- According to Nepal Rastra Bank, **the year-on-year Consumer Price Index (CPI) was 7.2 percent in November 2014** compared to 10 percent in the corresponding period last year. The cereal grain sub-group was 12.7 percent (nearly the same as November 2013).

CURRENT FOOD SECURITY SITUATION AND OUTLOOK

Food Security Cluster	Current period: mid-Jul to mid-Nov 2014	Change from mid-Mar to mid-Jul 2014	Outlook for mid-Nov 2014 to mid-Mar 2015
Karnali		↓	↓
Far-Western Hill and Mountain		↑	↓
Rapti-Bheri Hills		↓	→
Western Terai		→	→
Central & Eastern Terai		→	↑
Western Hill and Mountain		→	→
Central Hill and Mountain		→	→
Eastern Hill and Mountain		↑	→

- Minimally Food Insecure
- Moderately Food Insecure
- Highly Food Insecure
- Severely Food Insecure
- Humanitarian Emergency

Change / Outlook

- ↓ Deteriorate
- Stay the same
- ↑ Improve

The food security situation has improved this period, especially in the far-western and eastern hills and mountains. Nevertheless, district food security networks (DFSN) classified 6 VDCs of Surkhet as highly food insecure (Phase III) and an additional 127 VDCs of Salyan, Jajarkot, Surkhet, Mugu, Humla, Saptari and Siraha as moderately food insecure (Phase II).

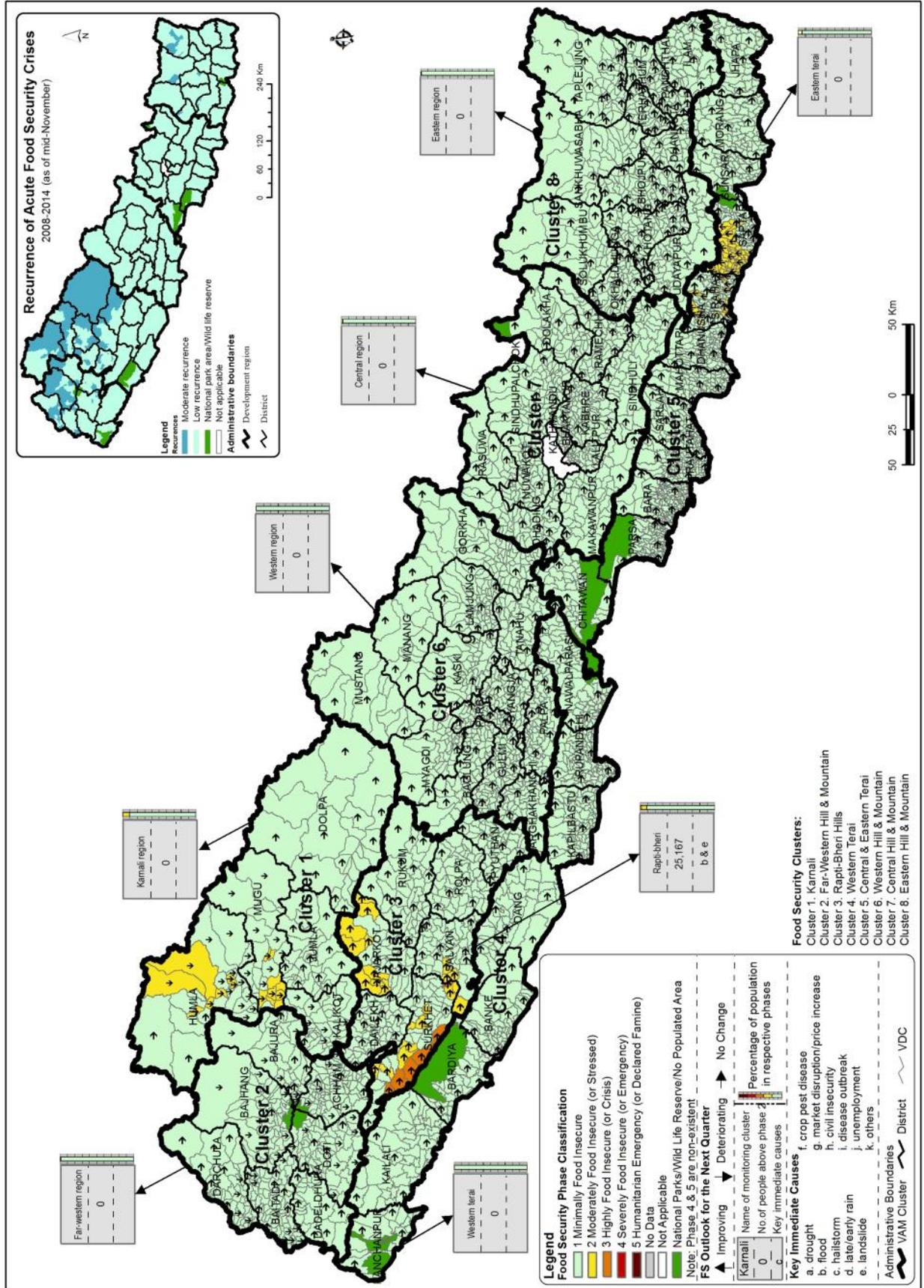
Though some districts of the mid- and far-western development regions (i.e., Banke, Bardiya, Surkhet, Dang and Kailali) experienced severe floods and landslides in August, which affected agriculture, livelihoods and overall food security, the majority of affected areas were reported to have recovered, with the exception of Surkhet, where the impact of the disaster was still apparent in the latter part of this reporting period.

DFSNs classified the rest of the country as minimally food insecure (Phase I). For the next four-month period (mid-November 2014 to mid-March 2015), DFSNs have forecasted that 194 VDCs (19 in Achham, 7 in Bajura, 24 in Doti, 14 in Baitadi, 20 in Darchula, 27 in Bajhang, 4 in Salyan, 9 in Jajarkot, 15 in Surkhet, 24 in Mugu, 18 in Humla and 13 in Kalikot) will be classified as moderately food insecure (Phase II) or worse.

The Nepal Food Security Bulletin is jointly produced by the Ministry of Agricultural Development (MoAD) Food Security Monitoring Unit and the World Food Programme (WFP) Food Security Monitoring and Analysis Unit.



Map 1: Food Security Phase Classification Map, mid-July to mid-November 2014
 Source: NeKSAP District Food Security Networks (DFSNs)



Incidence of food insecurity

In this reporting period district food security networks (DFS/N) classified **6 Village Development Committees (VDCs) in Surkhet**, namely Taranga, Lekhparajul, Hariharpur, Tatopani, Ghatgaon and Dharapani, as **highly food insecure (Phase III)**. The floods and landslides in mid-August displaced a large number of households, destroyed food stocks and negatively affected livelihoods. In those VDCs, some 5,819 households (25,167 people) were reported as highly food insecure (Phase III) and the majority of the affected households were living in temporary shelters and relying on external support for food and non-food needs. DFSNs classified an additional **127 VDCs in 7 districts as moderately food insecure (Phase II)**. The number of moderately food insecure VDCs by district is as follows: **Salyan (4), Jajarkot (9), Surkhet (9), Mugu (9), Humla (7), Saptari (58)** and **Siraha (31)**. DFSNs classified the rest of the country as minimally food insecure (Phase I). See **Map 1** for the geographic distribution of these areas.

In the eastern development region 58 VDCs in Saptari and 31 VDCs in Siraha continued to be affected by last year's paddy production loss and the situation is expected to improve only after paddy is harvested in late November. In the rest of the eastern development region, the food security situation improved, notably in Khotang, Bhojpur, Sankhuwasabha, Tehrathum, Panchthar and Taplejung. Districts in the far-western development region had a generally stable food security situation this period, with DFSNs reporting all VDCs and municipalities as minimally food insecure (Phase I). In some mid-western districts (particularly Banke, Bardiya, Surkhet and Dang) the food security situation, which had temporarily deteriorated as a result of the floods in August, improved during the latter half of the monitoring cycle and only 15 VDCs of Surkhet were reported as Phase II or worse. The western and central development regions continued to have a stable food security situation with all VDCs classified as minimally food insecure (Phase I).

Household food consumption

Figure 1 presents the findings of the NeKSAP household survey on the adequacy of food consumption (as measured by the food consumption score) by round of data collection. In July–November 2014, 14.2 percent of surveyed households consumed inadequate food, which is similar to March–July 2014, when 14.6 percent of households had inadequate food consumption. Further analysis by ecological belt shows a relatively larger proportion of households in the Mountains (16.7 percent) had inadequate food consumption compared to the national average (14.2 percent), Hills (14.9 percent) and Terai (13 percent).

Figure 2 presents the change in dietary diversity (as measured by the dietary diversity score) by ecological belt and round of data collection. In July–November 2014, the mean number of food groups consumed by households over the past 7 days was 5.32 compared to 5.2 in March–July 2014. During this reporting period dietary diversity did not vary greatly by ecological belt, although the Hills had the highest score (5.43) compared to the Terai (5.28) and Mountains (4.93).

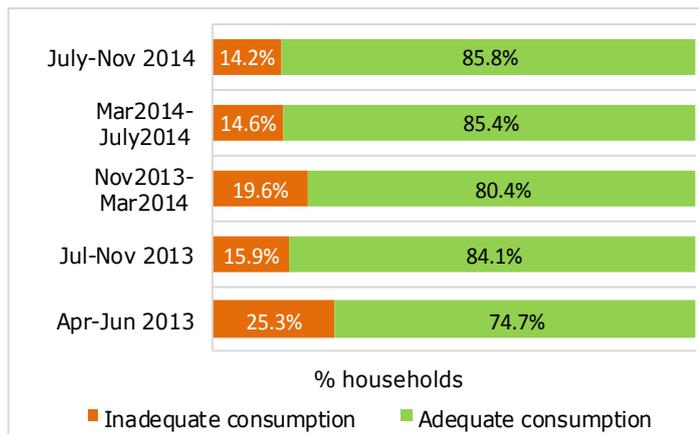


Figure 1: Household food consumption by round of data collection (Source: NeKSAP household survey)

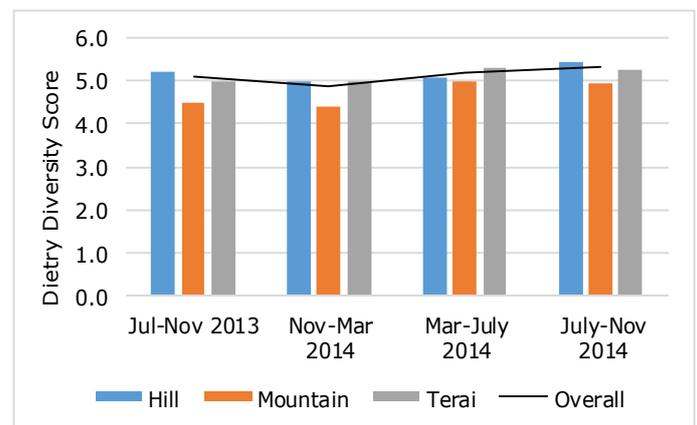


Figure 2: Household dietary diversity score by round of data collection and ecological belt (Source: NeKSAP household survey)

Livelihoods

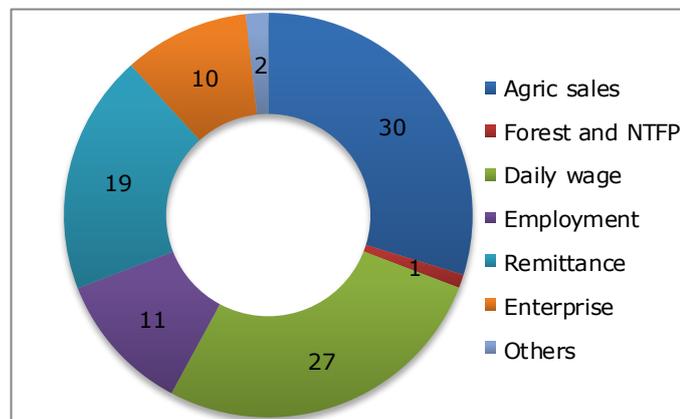


Figure 3: Share of household income by source, Jul–Nov 2014 (Source: NeKSAP household survey)

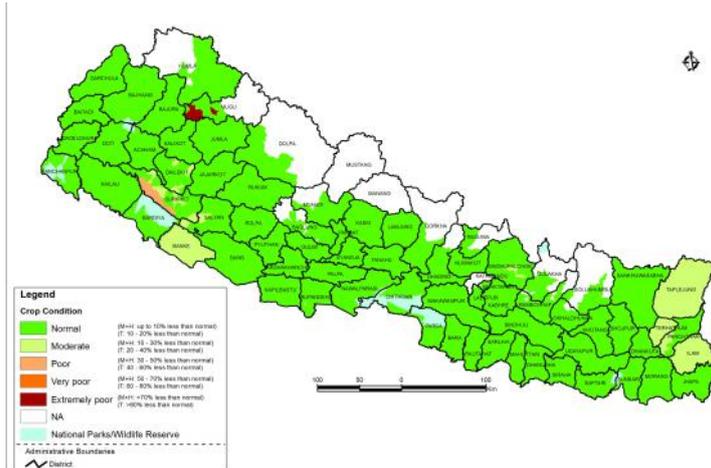
According to DFSNs, during this period, most households across Nepal followed traditional livelihood strategies, with the exception of those in highly and moderately food insecure VDCs, where households are reported to have adopted traditional coping strategies and/or are relying on external support for food and non-food needs.

Figure 3 shows the share of household income by source from the NeKSAP household survey. The sale of agricultural products (including livestock), daily wages, and remittances accounted for the largest share of household income at 30, 27, and 19 percent respectively. The NeKSAP household survey also found that, compared to mid-March to mid-July 2014, the share of agriculture and daily wages in household income marginally increased (by 4 percent and 1 percent respectively) while that of remittances remained the same. Livelihood diversification, which is an indicator of vulnerability and/or resilience, indicates a large proportion of households have either a single (34 percent) or two (43.4 percent) income sources.



Availability: In this period the maize harvest was completed. The paddy harvest was completed in the mid- and far-western regions and partially completed in the other regions. DFSNs reported that in Banke paddy production was 20 percent lower compared to 2012/13, while in some VDCs of Surkhet and Mugu there was paddy production loss of more than 40 percent due to floods and hailstones. Overall, with late and poor monsoon rains, MoAD has forecasted a nation-wide paddy production loss in 2014/15.

The Nepal Food Corporation (NFC) and development partners provide food assistance (subsidized or in-kind) in different parts of the country, primarily in the remote districts. DFSNs reported that NFC supplied 2,746 mt rice in different mountain districts of the country. WFP, as a part of its emergency response, provided food assistance to the flood affected families of Banke, Bardiya, Surkhet and Dang. A total of 2,054 mt of food (rice, pulses, vegetable oil, salt and super cereal) was provided to 45,140 households during August-December 2014. Similarly, WFP supported an additional 20,708 households with 1,458 mt of food in Bajhang, Bajura, Darchula, Dolpa, Humla, Jumla, Kalikot and Mugu.



Map 2: Crop map (Paddy), Jul-Nov 2014 (Source: DFSNs)

According to the NeKSAP household survey, average household cereal stock was 372 kg, which provides 4.7 months of household staple food sufficiency on average. However, disparities do exist with regard to the ecological belts and socio-economic status of households. For instance, *Dalit* households reported a cereal stock of 210 kg whereas non-*Dalit* households reported 406 kg.

Household incomes: Nepal Rastra Bank (NRB) reported a remittance inflow of NPR 180.34 billion (USD 1.85 billion) during the first trimester of Fiscal Year 2071/72¹. It is to be noted that these estimates include the remittance inflow through formal channels only and do not account for the remittances through informal channels, e.g., hand-carry remittances, which is common in the mid- and far-western regions. This period coincided with the major festivals of Nepal and hence seasonal in-migration was higher in the mid- and far-western development regions and hence DFSNs reported a larger amount of hand-carry remittances in those regions.

Income from agriculture and livestock was also high in this period, particularly in the central Terai (NPR 17 billion), central hills and mountains (NPR 12 billion), and eastern hills and mountains (NPR 11.42 billion– including income from NTFPs). Wage labor and income from NTFPs also contributed to household income in this period. Development interventions from the government and non government agencies also contributed to household income and food security. For instance, in the western hills and mountains some 177,000 people were reported to have received social benefits worth NPR 366 million. Similarly, in the central Terai some 119,000 households are reported to have received NPR 1.96 billion through Poverty Alleviation Fund (PAF) interventions.

Food price and markets: The year-on-year Consumer Price Index (CPI), as shown in **Figure 4**, was 7.2 percent in November 2014 compared to 10.0 percent in November 2013. The food and beverage index was 9.9 percent compared to 13.5 percent in November 2013. The cereal grain sub-group was 12.7 percent (nearly the same as November 2013) and the meat and fish sub-group was 3.7 percent (a substantial decrease from November 2013 when it was 22.3 percent). **Figure 5** compares retail price of major staples and potato in August-November 2014, April-July 2014 and August-November 2013. Compared to August-November 2013, the price of coarse rice, wheat flour and red potato increased by 6.4, 5.8 and 51.0 percent respectively. The sharp rise in the red potato price could be due to production falls in domestic pockets and a decline in imports.

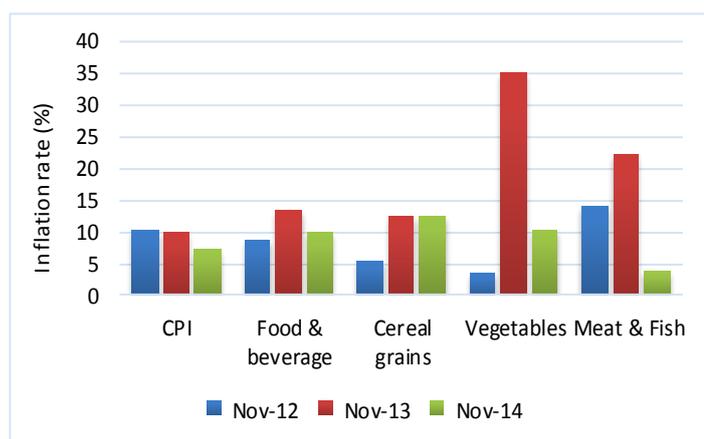


Figure 4: Year-on-year inflation rate (Source: Nepal Rastra Bank)

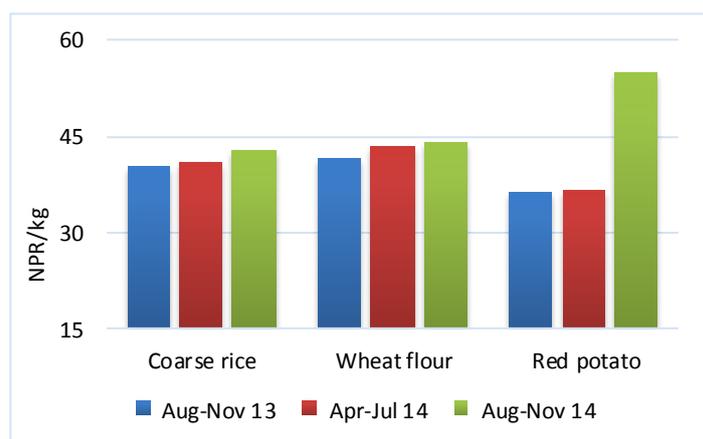


Figure 5: Retail price of major staples and red potato (Source: MoAD)

Food purchasing power: **Table 1** presents the average daily rate of unskilled wage laborers and the average price of coarse rice by ecological belt from Aug-Nov 2014. These variables are used to calculate terms of trade, an indicator of household purchasing power. Despite higher wage rates, laborers in the mountains have poorer purchasing power compared those in the hills and Terai. Consumers in the mountains, on average, pay 28.4 percent more than in the hills and 47.5 percent more than in the Terai for coarse rice. On average, a day's wage in the mountains, hills and Terai can purchase 7.5 kg, 8.7 kg and 8.5 kg of coarse rice respectively.

Table 1: Wage to cereal terms of trade, Aug-Nov 2014

Ecological belt	District wage rate (NPR/day)	Price of coarse rice (NPR/kg)	Terms of Trade (ToT)
Mountains	435	58	7.5
Hills	392	45	8.7
Terai	333	39	8.5
Average	375	48	7.9



¹ Nepal Rasta Bank, Current macro economic situation of Nepal (Based on four months' data of 2014/15)



Utilization: According to DFSNs, there were no major health and sanitation issues impacting food utilization in this period. Evidence from the NeKSAP household survey supports this, with only 5.4 percent of surveyed children under five years of age (n=332) reporting diarrhea.

Furthermore, 2.9 percent of children under five (n=373) had a mid-upper arm circumference (MUAC) of less than 12.5 cm. MUAC is a predictor of risk of mortality and a measure of nutritional status and is used as a screening tool for nutrition programmes.

Figure 6 shows the proportion of VDCs and municipalities declared as Open Defecation Free (ODF) in different clusters. As of November 2014, 1,712 VDCs (45 percent of all VDCs/municipalities in Nepal) were declared ODF. The largest proportion of ODF VDCs is in the western hill and mountain (WHM) cluster (84 percent) and the Rapti-Bheri cluster (69 percent).

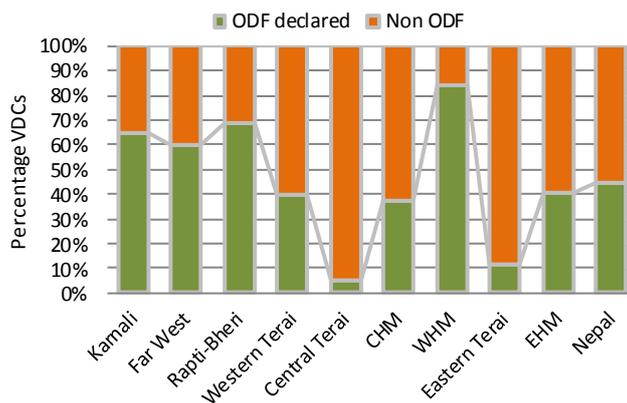
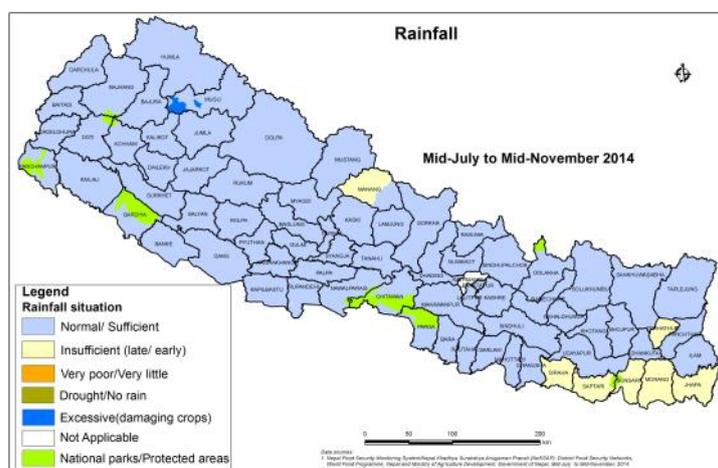


Fig 6: Percentage of ODF VDCs by cluster, Nov 2014 (Source: DFSNs)

Stability: The monsoon normally enters Nepal on 10 June. However, this year the monsoon was delayed by 10 days and was initially weak, which affected paddy transplantation in many parts of the country. **Map 3** shows the level of rainfall across Nepal, as reported by DFSNs. Many districts in the eastern Terai received insufficient rainfall, while excessive rainfall was reported in Mugu.

During this period there were two significant and widely reported local- and regional-level disasters. Excessive rainfall on 2 August led to a large landslide in Jure VDC of Sindhupalchoak; this, however, did not result in a significant impact on food security in the affected VDC and surrounding areas. Following this, excessive rainfall in mid-August led to floods and landslides in Banke, Bardiya, Surkhet, Dang and Kailali in the mid- and far-western development regions; this caused significant population displacement and had an immediate impact on housing, livelihoods, and agriculture. DFSNs reported that although a majority of the disaster-affected areas have since recovered and were classified as minimally food insecure (Phase I) there were still 15 VDCs in Surkhet classified as Phase II or higher (as mentioned above) in this period. In these areas households that are still displaced and residing in temporary shelters are particularly vulnerable.



Map 3: Rainfall situation, mid-Jul to mid-Nov 2014 (Source: DFSNs)

Food security outlook (mid-November 2014 to mid-March 2015)

In the next four-month period (mid-November 2014 to mid-March 2015) the paddy harvest will be completed across Nepal and wheat will have been sown. With the late start of the monsoon and excessive rainfall towards the end of the monsoon, MoAD has estimated a potential production drop in paddy. However, the prolonged withdrawal of the monsoon is expected to benefit winter crops, especially wheat. The effect of cyclone *Hudhud* in mid-October is also expected to be beneficial for winter crops. The third monsoon forum has projected 'normal to above normal' winter rains in Nepal. Hence, prospects for 2015 winter crops appear promising. The **CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFS) Regional Agriculture Forecasting Toolbox (CRAFT)** forecasts production gains for 2015 wheat, with an estimated production of 2.2 million mt (with a range of 1.9 to 2.5 million mt) and an increase of 27 and 18 percent compared to the five-year average and last year respectively.

For the next four-month period, DFSNs have forecasted that **194 VDCs** in the mid- and far-western regions will be classified as **moderately food insecure (Phase II)** or worse. In 58 VDCs of Saptari and 31 VDCs of Siraha, which were classified as moderately food insecure (Phase II) during the last two cycles, the food security situation is expected to improve to minimally food insecure (Phase I) as household food stocks increase with the paddy harvest.

Far-western hills and mountains cluster: This cluster, as a whole, is expected to observe a seasonal deterioration in the food security situation, a reflection of the traditional agricultural lean season. Since winter crops, especially wheat, will not be harvested in this period, household food stocks are expected to decline. This period also coincides with seasonal out-migration and as a result the remittance inflow is also expected to be lower. Hence, **111 VDCs (19 in Achham, 7 in Bajura, 24 in Doti, 14 in Baitadi, 20 in Darchula, 27 in Bajhang)** are expected to be moderately food insecure (Phase II).

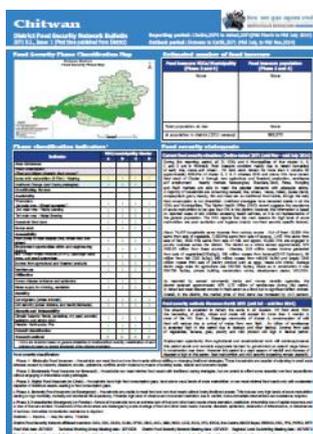
Karnali cluster: In Karnali, DFSNs have forecasted that a majority of VDCs (79 out of 134) will be classified as minimally food insecure (Phase I). Nevertheless, 55 VDCs (**all in Mugu, 18 in Humla and 13 in Kalikot**) are expected to be classified as **moderately food insecure (Phase II)** or worse. The food security situation in **9 VDCs of Mugu** (Shreenagar, Karkibada, Sukadhik, Seri, Shreekot, Gamtha, Kotdanda, Khamale and Dhainakot) and **7 VDCs of Humla** (Thehe, Dandaphaya, Gothi, Saya, Lali, Chipra and Kharpunath) should be closely monitored as the situation may deteriorate to **highly food insecure (Phase III)** during mid-November 2014 to mid-March 2015. In these VDCs, no crops will be harvested in this period and hence household food stocks will decline. Similarly, income from NTFPs and employment opportunities are also expected to be lower. In Mugu, the summer crop was also damaged by hailstones.

Rapti-Bheri cluster: The food security situation is expected to remain the same as this period, with 419 VDCs continuing in Phase I and 28 VDCs (**4 in Salyan, 9 in Jajarkot, 15 in Surkhet**) expected to be classified as Phase II or worse. Six VDCs of Surkhet, currently classified as severely food insecure (Phase III), should be closely monitored as the situation is expected to continue.

The rest of the country is expected to be minimally food insecure (Phase 1).

Updates

- **NeKSAP district food security network meetings:** MoAD and WFP organized district food security network (DFS/N) meetings in 74 of 75 districts in December 2014. DFSNs have been expanded in two new districts: Lalitpur and Bhaktapur.
- **NeKSAP regional debriefing meetings:** MoAD and WFP organized NeKSAP regional debriefing meetings in each of the five development regions in January 2015. During the debriefing meetings food security focal points from District Agriculture Development Offices (DADOs) presented an overview of the food security situation in their respective districts from mid-July to mid-November 2014 as well as the outlook for the upcoming trimester. Regional Agricultural Directorates also presented the overall food security situation, issues, and challenges of their respective regions.
- **Methodology review of crop monitoring and assessment:** NeKSAP supported MoAD in November 2014 to review the current practice of crop monitoring and assessment in order to make the process and results more systemic, credible, and timely.
- **Food security response analysis:** Following the field testing of the food security response analysis prototype in early 2014, it was piloted in 10 more districts (Dhankuta, Khotang, Parsa, Dhading, Tanahu, Jumla, Dailekh, Bajura, Dadeldhura, Kanchanpur) in December and January.
- **Integrated food security phase classification (IPC) chronic analysis:** In December 2014, MoAD, with support from the IPC Global Support Unit, FAO, WFP and other partners, conducted a IPC chronic analysis workshop. Using the latest data, thirteen sub-regions in Nepal were classified by four categories: minimal, mild, moderate and severe chronic food insecurity. The results will be published in early 2015.
- **District food security bulletins:** DFSNs produced district food security bulletins in selected districts (see examples below). These are available at the NeKSAP website.



District food security information

The Nepal Food Security Monitoring System (NeKSAP) currently monitors 72 districts across Nepal. The information collected forms the basis for this bulletin. Detailed district food security bulletins are available upon request in English and Nepali.

Cluster 1. Karnali

Dolpa
Humla
Jumla
Kalikot
Mugu

Cluster 2. Far-Western Hill & Mountain

Achham
Bajhang
Bajura
Baitadi
Dadeldhura
Darchula
Doti

Cluster 3. Rapti-Bheri Hills

Dailekh
Jajarkot
Pyuthan
Rolpa
Rukum
Salyan
Surkhet

Cluster 4. Western Terai

Kanchanpur
Kailali
Bardiya
Banke
Dang
Kapilbastu
Rupandehi

Cluster 5. Central and Eastern Terai

Nawalparasi
Chitwan
Parsa
Bara
Rautahat
Sarlaha
Mahottari
Dhanusha
Saptari
Siraha
Sunari
Morang
Jhapa

Cluster 6. Western Hill and Mountain

Gorkha
Lamjung
Tanahu
Arghakhanchi
Gulmi
Palpa
Syangja
Parbat
Baglung
Myagdi
Mustang
Manang
Kaski

Cluster 7. Central Hill and Mountain

Sindhuli
Ramechhap
Dolakha
Sindhupalchok
Kavrepalanchok
Nuwakot
Rasuwa
Makwanpur
Dhading

Cluster 8. Eastern Hill and Mountain

Taplejung
Panchthar
Sankhuwasabha
Ilam
Okhaldhunga
Khotang
Dhankuta
Udayapur
Solukhumbu
Bhojpur
Terhathum

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