



Editorial

As the Food Security Bulletin 4 anticipated, good maize and potato yields look set to offset the adverse food security implications of last reporting cycle's reduced winter crop of wheat and barley. Additionally, most of the paddy-growing districts that WFP monitors expect the end-of-the-year rice crop to be satisfactory (refer also to the Seasonal Calendar on p. 8)

Furthermore, with the exception of district headquarters that continue to be affected by CPN(M) imposed blockades, market prices for foodstuffs and other basic commodities are at levels comparable to last year.

Hence, this reporting cycle did not show up evidence of a general deterioration in food security in the districts and VDCs where WFP Monitors work.

However, in an agricultural economy where the ratio of arable land per capita has halved in 25 years, and the contribution of domestic food production to consumption requirements been stretched correspondingly¹, food security is ultimately determined by the availability and profitability of complementary livelihood strategies, especially for the rural poor who have marginal or no landholdings to begin with.

Chief among these complementary strategies is short-term labor migration to India or elsewhere in Nepal (typically district headquarters or urban areas)². The current Bulletin opens on a general profile of the communities and households that WFP continually monitors. They represent vulnerable segments of the population in some of the least accessible districts of the country. The analysis shows that remittances from migration, along with

¹ E.g., Food Security in Nepal. Paper at ICRIER-ICAR-IFPRI Conference on "Economic Reforms and Food Security: The Role of Trade and Technology", New Delhi, India, April 2002. Suman Sharma and Suresh Babu

² E.g., Poverty in Nepal at the Turn of the Twenty-First Century. World Bank, 1998

other non-agricultural sources like portering and petty trade, is the principal livelihood strategy of 10% of these households. In other words, that is virtually all they rely on for sustenance.

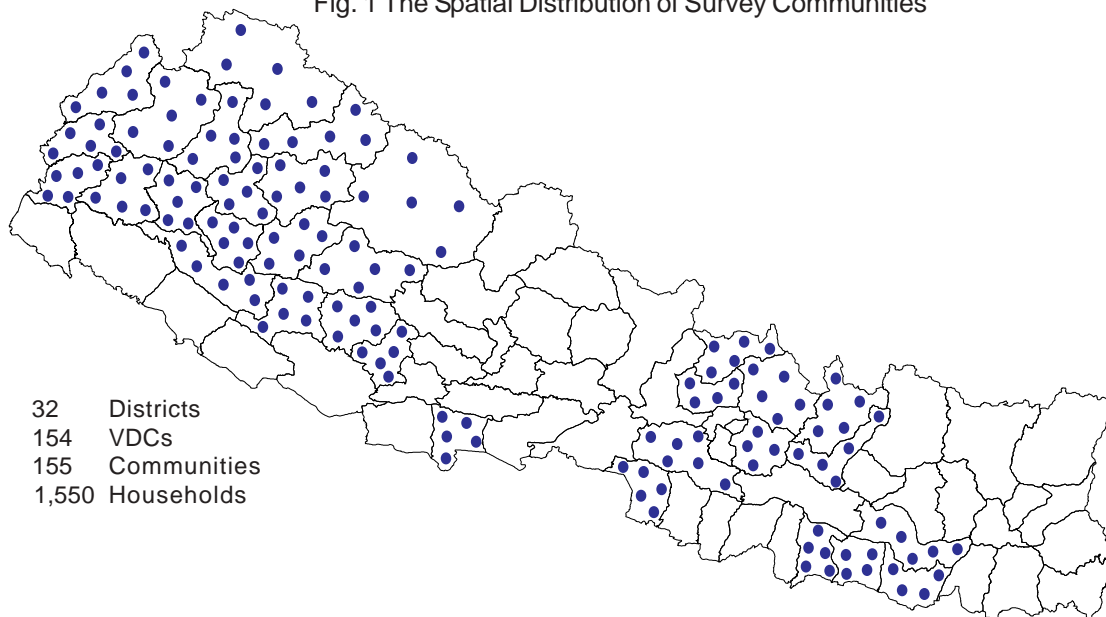
The other 90% primarily rely on agriculture or local wage labor opportunities. However, qualitative data from WFP Monitors suggest that remittances from migration are nonetheless a significant complementary component of their livelihoods. The quantitative data from this reporting cycle certainly indicate that the number of people who leave the surveyed communities for short-term labor migration is on the rise. At this moment, 11% of the survey population in the Far Western Region, 12% in the Mid Western and Western Regions, albeit just 3% in the Central and Eastern Regions, have migrated out.

To increase its understanding of this seemingly increasingly significant livelihood strategy, WFP/VAM has decided to assess the character and extent of internal migration through redeploying eight of its Monitors to districts where their survey populations tend to migrate. They will spend about two months investigating the economic and other rationales for migration. The findings will be published in a separate report.

WFP Suspends all Activities in Bajhang

Following threats to its field staff in Bajhang district, WFP is suspending all support to the Food for Education and Rural Community Infrastructure Works programmes in Bajhang with immediate effect. WFP will not consider resuming its support until adequate guarantees that its staff will have unrestricted access to monitor and facilitate programme implementation without risk to their safety are received.

Fig. 1 The Spatial Distribution of Survey Communities



General Profile of Survey Communities

As part of the contractual agreement with HMG/N, WFP continually surveys the food security situation in all the districts where it operates, and one where the activity is yet to be rolled out.

The backbone of the survey is the 155 communities that have participated since its inception in October 2002. Located in 32 districts, the majority in Mid and Far Western Regions (Fig. 1), they were selected through purposive sampling to represent vulnerable households on account of, for example, physical isolation and small landholding.

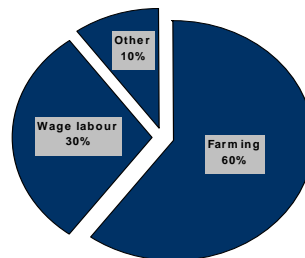
80% of survey communities are located anywhere from a couple of hours to a couple of days walking distance to the nearest all-weather road. The rest are 4 to 6 days walk away from the closest road head. All survey communities in Humla, Jumla, Mugu, Dolpa and Kalikot belong to this remotest category. So do several in Bajura, Dailekh, Rukum and Salyan districts.

While the actual number of households in a survey community range from 12 to 400 (both extremes are located in Makwanpur), the average is 80. Although family sizes in Far and Mid Western Hills and Mountains can be as large as twenty, 70% of

all households have 3-7 members; the average is 6.4, somewhat higher than the national 5.4 mean.

60% of survey households claim that their own agricultural production, either on their own land or through sharecropping schemes, is their primary livelihood strategy; 30% agricultural or other wage labour; 10% remittances from labour migration in addition to portering, caste-specific work and petty trade, such as broom and firewood sales (Fig. 2).

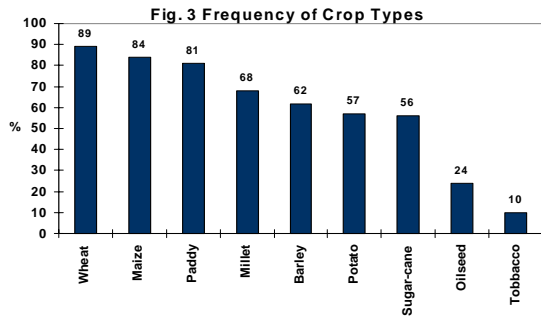
Fig. 2 Survey Communities' Livelihood Sources



Approximately 80% of households are landless. 19% own less - just 1% more - than a hectare of arable land. Most of these relatively larger holdings are located in Rupandehi and Parsa districts (food surplus last year by 23% and 53%, respectively³). In almost 90% of survey communities, they cultivate wheat. Other popular crops are maize, paddy, millet

³ Agricultural Marketing Information Bulletin. Marketing Development Directorate, Department of Agriculture. 2004

and barley. Less common is potato, sugarcane, oilseed and tobacco (Fig. 3).



Around 80% of survey households own some livestock. The norm is 1-5 heads but in sheepherding districts, such as Dolpa and Mugu, households can have up to as many as 10 animals.

Far Western Mountains

The survey covers Bajhang, Bajura and Darchula districts where communities vary from 32 to 110 households in size. The survey households have 2-27, on average 7.3, members. All are landless. Farming and wage labour are their principal livelihood strategies. Wheat and Maize are grown in all of these survey communities while paddy, millet and barley are grown in about 90% of them.

Far Western Hills

The survey covers Achham, Baitadi, Dadeldhura and Doti districts where communities vary from 27 to 200 in size. The average size of survey households is the same as in the Far Western Mountains: 7.3 members. All are landless, except a few households in Dadeldhura and Doti that own 0.1 hectare of arable land. Wage labor is not a principal livelihood strategy; farming or sharecropping is - followed by portering, remittances and broom sales. Wheat is grown in all communities while paddy, maize, millet and barley are grown in more than 70% of them.

Mid Western Mountains

The survey covers Dolpa, Humla, Jumla, Kalikot and Mugu where communities vary from 19 to 170 households in size. The survey households have 1-24, on average 5.9, members. Nearly half are landless, and only 4% own more than 0.5 hectare of arable land. Farming, wage labour and broom sales, weaving, and caste-specific work are their principal livelihood strategies. Wheat is grown in all of these communities while barley, millet, maize

and paddy are grown in most. Unlike in the other survey regions, paddy is not a common crop.

Mid Western Hills and Western Terai

The survey covers Dailekh, Jajarkot, Pyuthan, Rolpa, Rukum, Salyan and Surkhet where communities vary from 23 to 352 households in size. The average size of a survey household is 6.2 members. About 80% of survey households are landless and 17% own less than 0.5 hectare of arable land. Farming, wage labour, remittances, portering, firewood sales and caste-specific work are the principal livelihood strategies. Wheat and maize are grown in 97% of the survey communities, paddy in about 90 percent, and barley and millet in more than half of them.

Central Mountains

The survey covers Dolakha, Rasuwa and Sindhupalchok districts where communities vary from 29 to 230 households in size. The survey households have 2-13, on average 5.9, members. With only some exceptions, all are landless. Farming, wage labour and portering are their principal livelihood strategies. All the survey communities grow maize and millet. 93% of them also grow wheat, 67% paddy, and 47% barley.

Eastern and Central Hills

The survey covers Kavre, Makwanpur, Nuwakot, Ramechhap and Udaypur districts where communities vary from 12 to 400 households in size. The survey households have 2-20, on average 6.3, members. About 80% are landless and 16% of them own less than 0.5 hectare of arable land. Farming, wage labour and caste-specific work are their principal livelihood strategies. Maize is grown in all survey communities while paddy and millet are grown in about 74% of them. Wheat is grown in 61%, barley in about 22% of them.

Eastern and Central Terai

The survey covers Dhanusha, Parsa, Saptari and Siraha districts where communities vary from 22 to 200 households in size. The survey households have 2-19, on average 6.6, members. More than 80% are landless while 12% own less than 0.5 hectare of arable land. Wage labour is the most significant livelihood strategy for as much as 89% of survey communities. Farming is the principal strategy for the remaining 11%. Paddy is grown in 78% of survey communities, wheat in 67%, maize

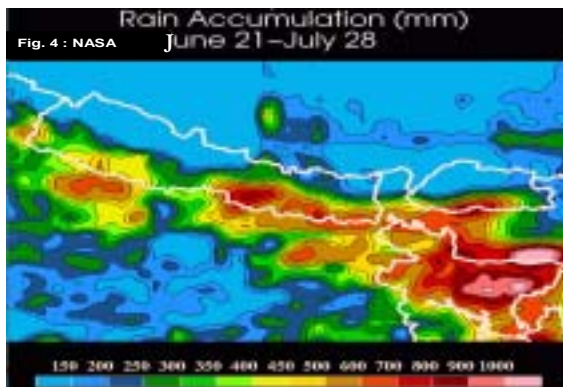
in 28%, millet in 22%, and barley in just 6% of them.

Every two months, 30 full-time WFP Monitors visit these communities and households to record changes in their demographics, assets, diet, livelihoods and so forth. The current reporting cycle is the 11th of the survey.

Far Western Region Food Security, July-August

Seven Monitors survey food security in the 7 Hill and Mountain districts of Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Darchula and Doti

Production. In all surveyed districts, respondents claim that their maize harvest is better than last year's and attribute this to good rains. District Agriculture Office data likewise indicate a 5-10% year-on-year increase in both maize and potato production. That would certainly offset the food shortages that survey communities anticipated in Food Security Bulletin 4 following the poor winter yield. Furthermore, the standing paddy crops in Bajura, Dadeldhura, Darchula and Doti look healthy and ought to provide good yields come harvest in October and November. In contrast, Achham and Bajhang have had late and little rain during this monsoon (Fig. 4); consequently, paddy planting has been delayed and is not expected to offer the same yield as elsewhere in the region.



Prices. Months of regular bandhs have not led to price hikes for staple food items in the survey communities; located at a distance from district headquarters, they appear to be unaffected by the bandhs because these tend to apply to commodity movement in and out of headquarters only. In the district headquarter markets of Baitadi, Bajhang,

Bajura and Darchula, the price of rice has risen by 16%, year-on-year. In Achham, the increase for the same period is as high as 25% in the wake of the Security Forces' warning that hostilities in and around the headquarter would intensify. Little happened, yet the markets react not only to actual blockades, but also to rumored blockades.

Stocks. In the beginning of the two-month survey cycle, survey households reiterated their worry of Food Security Bulletin 4 that they were facing more severe food shortages than last year. So asserted 90% of survey households in Achham and Bajura and 78% in Baitadi and Bajhang. With the strong maize yield confirmed at the end of this reporting cycle, that ought no longer to be a general concern.

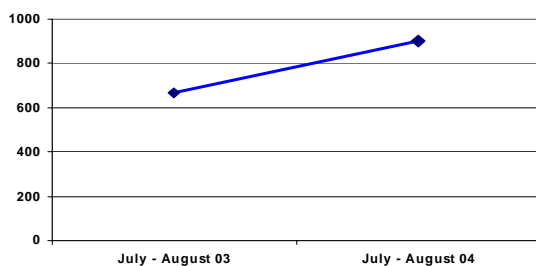
Income. In the northern parts of Bajhang and Darchula districts, *Yarshagumba* (herb with supposedly aphrodisiacal qualities) collection is the primary source of cash income from May to August each year. Reportedly, anywhere between 1,000 and 1,200 households are occupied thus for 3-4 months. Although one person tends to be able to collect no more than 500 gram of Yarshagumba in total, this amount alone will fetch 30,000 Rs. wholesale. This season, according to the WFP Monitor in the districts, collectors in Darchula sold a total of 1 MT.

Movement. Except in Dadeldhura and Doti, the CPN(M) has restricted movement of food commodities to district headquarters and Security Force bases for the past several months. Still, people living in and around headquarters of Baitadi and Darchula have taken advantage of their proximity to India and shopped for foodstuffs across the border while in the Baitadi case paying 10% of the commodity value in taxes to the CPN(M). Though, after the Indian authorities in early August closed the border point nearest Baitadi headquarters, cross-border marketing subsided altogether. Similarly, in Achham and Bajura, the bandh on movement of essential commodities toward district headquarters is not absolute: the CPN(M) allows passage of foodstuffs for personal use while taxing these with about 8-10% of their value. Though, people are only levied these taxes upon directly encountering a CPN(M) official and hence the effect on household and commercial economies is irregular. The mere concern about the possibility of having to pay might of course

still influence supply in the markets. The survey communities nonetheless appear to be dealing with bandhs and price hikes in the village markets by purchasing directly from the road head markets, circumventing the traditional role of traders and other middlemen in the process.

Migration. Short-term out-migration from the survey communities is up 35%, year-on-year (Fig. 5). Part of the explanation is likely to be the increasingly conflict-affected environment. A case in point is the so-called “Jan marching” campaigns whereby the CPN(M) moves hundreds of youths around. Since villagers are required to feed participants out of their stock, the campaigns might conceivably compel survey households to resort to complimentary livelihood strategies, such as labor migration, at an earlier stage and to a greater extent than usual. In and of itself, Jan marching is also likely to prompt youths unenthusiastic about the project to search for opportunities elsewhere.

Fig. 5 Number of Short-term Out-migrants



Mid Western and Western Region Food Security, July-August

Fourteen Monitors survey food security in the 13 Mid Western Hill and Mountain districts of Dailekh, Dolpa, Humla, Jajarkot, Jumla, Kalikot, Mugu, Pyuthan, Rolpa, Rukum, Salyan and Surkhet in addition to the Western Terai district of Rupandehi, and migration patterns at 3 border points with India.

Production. The estimated 30-40% year-on-year decrease in the wheat and barley crop in Dailekh, Kalikot, Jajarkot, Pyuthan, Rolpa, Rukum and Salyan is offset by a good maize harvest. In Dolpa, Humla, Jumla and Mugu, it is the potato crop that compensates for the unsatisfactory winter yield. Kalikot and Surkhet expect a good paddy harvest in October. July-August is the apple season in Humla, Jumla and Mugu; apples and other fruits

feature prominently in survey communities' food baskets but bandhs have made it more difficult for producers to move their fruits to market.

Prices. Staple food prices in survey communities are generally at last year's level. Though, rice in some Jumla, Dailekh and Rukum survey community markets is 16-33% higher, presumably due to the limitations that security conditions have imposed on supply lines. District headquarter prices, in contrast, have risen 5-15%, year-on-year, for the same reasons as in the other regions: CPN(M) bandhs close down commercial supply routes to headquarters and airlift capacities are limited.

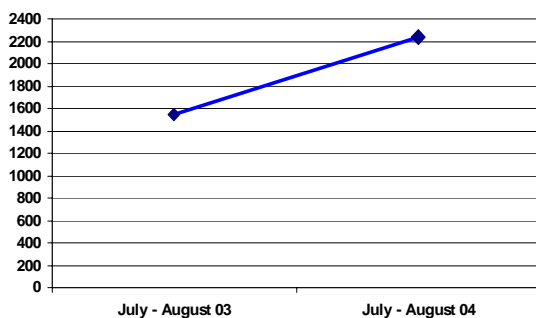
Stocks. In the beginning of the two-month survey cycle, around 40% of survey households reiterated their worry of Food Security Bulletin 4 that they were facing more severe food shortages than last year. Particularly Salyan, Kalikot, Surkhet and Dailekh households claimed to be badly affected after the disappointing winter harvest. With a good maize and potato yield confirmed at the end of this reporting cycle, that perception should no longer be a cause for general concern.

However, strong crop yields do not improve everyone's livelihood conditions. As the Profile of Survey Communities show, 50-80% of survey households in this region are landless and non-agricultural livelihood strategies, such as portering, remittances, and weaving contribute noticeably to their economies. In other words, many households might feel that they face severe food shortages and economic hardship regardless of the dynamics of the agricultural seasons. Indeed, some reports suggest that food stocks have decreased because of the requirement that villagers feed participants in Jan marching campaigns and some villagers consequently begun to consume wild leaves and diluted flour soup.

Income. Yarshagumba collection is a significant source of cash income in Dolpa, Humla and Mugu. A household may collect between 0.5 and 1 kg during the 3-4 months season and sell this at 60-80,000 Rs. per kg. wholesale. In Salyan, ginger is a substantial contributor to the cash economy. It tends to be sold for medical usage and demand is on the increase.

Migration. The rate of short-term out-migration was reported to have increased by 45% from the survey communities this year (Fig. 6). When compared to the absolute number of out-migrants, more than some 2,200 people out-migrated this year. The number of out-migrants from the same communities was as low as 1,500 last year. The main reason for this out-migration was reported by survey communities to be the combined effect of general insecurity and economic hardship.

Fig. 6 Number of Short-term Out-migrants



Central and Eastern Regions Food Security, July-August

Nine Monitors survey food security in the 12 Mountain, Hill and Terai districts of Dhanusha, Dolakha, Kavre, Makwanpur, Nuwakot, Parsa, Ramechhap, Rasuwa, Saptari, Sindhupalchok, Siraha and Udaypur.

Production. The maize and potato harvest in the Hill and Mountain districts of Ramechhap, Dolakha and Rasuwa is better than last year's. The District Agriculture Offices in Ramechhap and Rasuwa estimate a 5-10% increase in yields. In Kavre, Makwanpur, Nuwakot and Sindhupalchok, millet and paddy plantation are on target and, weather permitting, expected to provide a good yield by October.

In contrast, floods and landslides adversely affect the Udaypur paddy and maize production this year to the effect of reducing production by perhaps as much as 10-20% compared to last year. In the Terai, the districts of Dhanusha, Parsa, Siraha and Saptari are the worst affected and, for example, in Danusha the District Agriculture Office asserts that 80% of arable land is inundated by floodwater and predicts a 10-15% reduction in paddy and maize production.

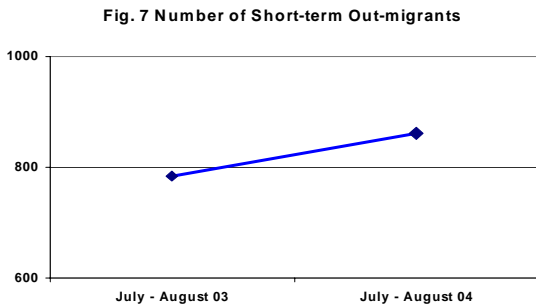
The flooding, however, affects different people differently. The landholders in the Terai, some of whom own considerable plots, and sharecroppers lose part of their investment as the water washes out their seedlings. However, most of the survey communities are not only landless (80%), but also rely on wage labor (89%) rather than sharecropping for their livelihood strategy. As daily wage laborers in the agricultural sector, they would benefit from the labor-intensive process of replanting the flood-affected paddy fields.

Prices. Staple food prices in survey communities are generally at last year's level. Though, rice and wheat has seen a year-on-year 10-30% increase in some Kavre, Nuwakot, Rasuwa and Saptari survey community markets. The lesser winter harvest of wheat and occasional bandhs might partly explain that. Indeed, commercial transporters and traders have added 2-3 Rs. per kg. for several essential items, such as kerosene oil, sugar, and cooking oil in response to this year's increase in bandhs.

Stocks. In the beginning of the two-month survey cycle, around 24% of survey households reiterated their worry of Food Security Bulletin 4 that they are facing more severe food shortages than last year. Still, despite experiencing floods at the time, the survey communities in the Central and Eastern Regions are thus noticeably less concerned about food shortages upon an otherwise disappointing winter harvest than survey households in the other regions are. One explanation could be that the majority of survey households here rely on wage labor rather than own agricultural production and hence are less susceptible to fluctuations in the agricultural sector.

Movement. These regions continue to see considerably less restrictions on movement of people and goods than elsewhere. In Sindhupalchok, the Security Forces have restricted the movement of commercial food items, such as noodles and beaten rice, from district headquarters to the interior. In Dolakha, Kavre, Makwanpur, Rasuwa, Saptari and Siraha, the CPN(M) scrutinizes movement of food commodities between some of the VDCs.

Migration. The rate of short-term out-migration is only up 10%, year-on-year. While noticeable, this is far short of the increases seen in the Far Western, Mid Western and Western Regions (Fig. 7). As reasons for migrating, survey communities cite general economic hardship and the floods.

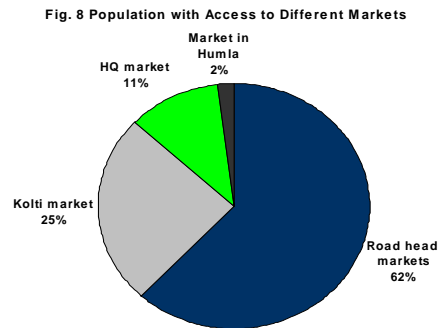


No Evidence of Acute Food Insecurity in Bajura

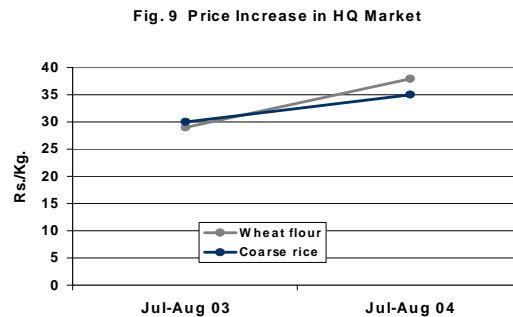
Following media reports on “starvation in Bajura”, and concern shown to these by some partners, WFP/VAM in August dispatched a two-week assessment mission to the district.

Situated in the Far Western Mountains, Bajura has a total population of about 108,000¹; it is a food deficit district² and has been considered chronically food insecure for at least a decade³.

The mission found that the CPN(M) food supply blockade in place since early July only applied to the district headquarter and town of Kolti where Security Forces are stationed. The rest of the population continues to enjoy access to a range of markets for the procurement of both food and basic non-food items (Fig. 8). Of the total population, 62% has access to road head markets in neighboring Achham and Dailekh districts. Some 11% have access to the markets in district headquarters; 25% to Kolti markets; and a small proportion living in the northern parts of the district even has access to markets in Humla.



Kolti enjoys frequent airlifts of commodities. Although the air service to district headquarters is less regular, the mission did not find food shortages or general price increases in the market. The purchasing power of the population is always low and commercial goods in limited demand. Any temporary lessening of the supply does not immediately translate into price increases. True, the mission did record a 15-20% year-on-year increase in wheat and rice prices (Fig. 9).



Nonetheless, other basic commodities were priced at last year's level.

Traders complained to the mission that they could not raise prices for fear of the reaction of the district authorities. Also, the traders who evaded taxation by the CPN(M) on the way to headquarters were unwilling to help those who were taxed recover this cost by raising consumer prices in the market.

The Nepal Food Corporation (NFC) airlifts cereals into headquarters for sale at subsidized rates. The scheme meets no more than 3% of the district's consumption requirements, however, and does so only through 2 depots in the headquarter and Kolti, respectively. According to NFC's distribution data, about half of its rice is sold to households within or in the immediate vicinity of headquarters.

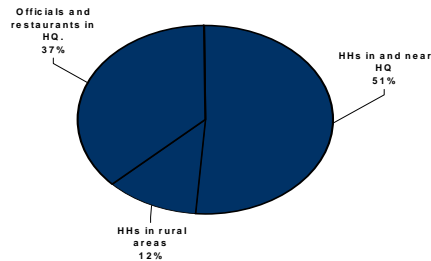
¹ Population Census 2001: Selected Tables. HMG Central Bureau of Statistics, 2003

² Agricultural Marketing Information Bulletin. Marketing Development Directorate, Department of Agriculture. 2004

³ Nepal: Food Security and Vulnerability Profile, 2000. World Food Programme Nepal, 2003

In addition, local restaurants and government and non-government organization staff purchase 37%. Only 12% is sold to people walking in from distant rural areas (Fig. 10).

Fig. 10 Customers of NFC Rice at HQ Depot



Among the poorer population groups in headquarters, many source some of their food from own production on small plots of land. Some receive in-kind payment for agricultural labor on paddy fields adjacent to headquarters. And none of them showed signs of acute malnutrition, such as Bully Stomach, according to the visual lay observation of the WFP/VAM mission.

In summary, so far, the conflict does not seem to have had significant impact on the food supply to the district in general. The blockades by the CPN(M) and their immediate effect apply to headquarters and Kolti only. In the rest of the District, people acquire and move commodities from road head and neighboring district markets irrespective of the blockades.

Seasonal Calendar

Region		Rice		Wheat		Maize		Millet		Barley		Potato	
		Planting	Harvesting	Planting	Harvesting	Planting	Harvesting	Planting	Harvesting	Planting	Harvesting	Planting	Harvesting
Eastern	Mountain	May -Jul	Oct - Dec	Nov - Jan	3rd week Mar-May	Dec-Apr	Jun - Sep	May - Jul	Oct - Dec	Oct - Nov	Mar - Apr	Dec - Feb	Jun - Aug
	Hill	May -Aug	Sep - Dec	Oct - Jan	Feb-May	May -Sept	Oct - Dec	May - Aug	Oct - Dec	Sep - Nov	May - Jul	Dec - Mar	June - Aug
	Terai	Apr -Aug	Oct - Nov	Sep - Dec	Mar - May	Apr - Jun	Jul - Sep	May - Jul	Sep - Nov	Sep - Nov	Apr - Jun	Summer Feb - Apr Winter Oct - Dec	Summer Jul - Sep Winter Feb - Apr
Central	Mountain	May -Aug	Oct - Dec	Oct - Dec	Mar - Jun	Feb - Jun	Aug -Nov	Jun - July	Oct - Jan	Oct - Dec	Apr - Jun	Mar - Jun	Aug - Oct
	Hill	May -Aug	Oct - Dec	Oct - Dec	Mar - Jun	Apr - Jun	Jun - Sep	May - Jul	Oct - Jan	Oct - Dec	Mar - Jun	Jul -Sep	Dec - Feb
	Terai	May -Aug	Aug - Dec	Oct - Jan	Mar - May	Feb - May	May - Sep	NA	NA	NA	NA	Sep - Nov	Dec - Mar
Western	Mountain	NA	NA	Oct - Dec	May - Jul	Feb - Apr	Aug - Oct	Mar - May	Aug - Oct	Oct - Dec	May - July	Feb - May	Aug - Oct
	Hill	May -Aug	Sep - Dec	Oct - Dec	Mar - May	Feb - Jun	Jun - Sep	May - Sep	Sep - Dec	Sep - Jan	Feb - May	Oct - Feb	Jan - Jul
	Terai	May -Aug	Oct - Dec	Oct - Jan	Feb - Apr	Apr - Jul	Jul - Sep	Jun - Aug	Oct - Dec	NA	NA	Sep - Nov	Dec - Feb
Mid Western	Mountain	Mar - Jul	Oct - Dec	Oct - Jan	Apr - Aug	Mar - Jun	Aug - Oct	Mar - May	Oct - Nov	Oct - Jan	Apr - Aug	Feb - Jun	Jun - Nov
	Hill	May -Aug	Oct - Dec	Sep - Dec	Mar - May	Apr - Jun	Aug - Oct			Sep - Nov	Mar - May	Oct - Feb	Sep - Dec
	Terai	May -Jul	Oct -Dec	Oct - Dec	Feb - Apr	Apr - Jul	Aug - Oct	Oct - Dec	Feb - Apr	June -Jul	Sep -Nov	Sep - Nov	Dec - Feb
Far Western	Mountain	Apr -Jun	Aug - Oct	Oct - Dec	Apr - May	Mar - Jun	Jun - Oct	NA	NA	Oct - Dec	Mar - May	Oct - Apr	Apr - Aug
	Hill	May -Aug	Sep - Nov	Oct - Dec	Mar - May	Apr - Jul	Aug -Oct	May -Jul	Sep - Nov	Oct - Dec	Mar - May	Summer Jan - Apr Winter Sep-Nov	Summer Jun - Sep Winter Feb-Apr
	Terai	May -July	Sep - Nov	Oct - Dec	Feb - Apr	Summer May - Jul Winter Feb - Mar	Summer Aug - Sept Winter May - Jun	Jun - Aug	Oct - Dec	Oct - Dec	Feb - Apr	Sep - Nov	Dec - Feb

Source: Department of Agriculture

NA: Not Applicable