



Nepal Food Security Bulletin

Year 2014, Issue 41



नेपाल खाद्य सुरक्षा अनुगमन प्रणाली
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Nepal Food Security Monitoring System

HIGHLIGHTS AND SITUATION SUMMARY

This issue covers the period of mid-November 2013 to mid-March 2014, the second trimester of Nepalese Fiscal Year 2070/71. This bulletin is primarily based on the outcomes of NeKSAP district food security network (DFS/N) meetings held in 72 of 75 districts and the results of the NeKSAP household survey, a nationally representative sample survey, collected between November 2013 and March 2014. In this period:

- **Most parts of the country were classified as minimally food insecure**, a situation where households can secure food and non-food needs without changing livelihood strategies. Nevertheless, the food security situation in this period has deteriorated compared to mid-July to mid-November 2013 when only six VDCs in Jumla were classified as moderately food insecure.
- **184 VDCs, mostly in the mid- and far-western development regions, were classified as moderately food insecure**, a situation where households are able to meet minimal food needs with traditional coping strategies, but are unable to afford some essential non-food expenditures without engaging in irreversible coping strategies.
- **Sale of agricultural products (including livestock), daily wages, and remittances were major sources of income** that contributed to improved household food security with their share in household income estimated at 26.6, 24.1 and 20.6 percent respectively. According to Nepal Rastra Bank, remittance inflow decreased by 3.2 percent during February/March 2014 compared to the previous months of the fiscal year.
- Summer crops were harvested in this period and as a result household food stocks have increased. **The average household cereal stock was measured at 338 kg, which provides roughly 4.2 months of staple food sufficiency for an average household.** According to the NeKSAP household survey, **80.4 percent of households had adequate food consumption.**
- According to Nepal Rastra Bank, **the year-on-year Consumer Price Index (CPI) increased by 8.9 percent in March 2014** compared to an increase of 10.2 percent in the corresponding period last year. The vegetable sub-group observed the largest increase of 13.9 percent in March 2014 compared to 9.4 percent in the same period last year.

February–March is traditionally a winter lean season period, especially in the hills and mountains, when a deterioration in food security is normally expected in those areas. This reporting period can be generalized as a time when household food stocks maintained through summer crops are declining and winter crops are yet to be harvested. With the onset of the winter crop harvest in March/April an improvement in the food security situation is expected.

CURRENT FOOD SECURITY SITUATION AND OUTLOOK

Food Security Cluster	Current period: mid-Nov 2013 to mid-March 2014	Change from mid-July to mid-Nov 2013	Outlook for mid-March to mid-July 2014
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

Overall, the food security situation has deteriorated this period, particularly in the mid- and far-western development regions, where DFSNs classified 179 VDCs as moderately food insecure (Phase 2). The situation is largely a reflection of the winter lean season. Five VDCs of Sankhuwasabha also experienced a similar situation.

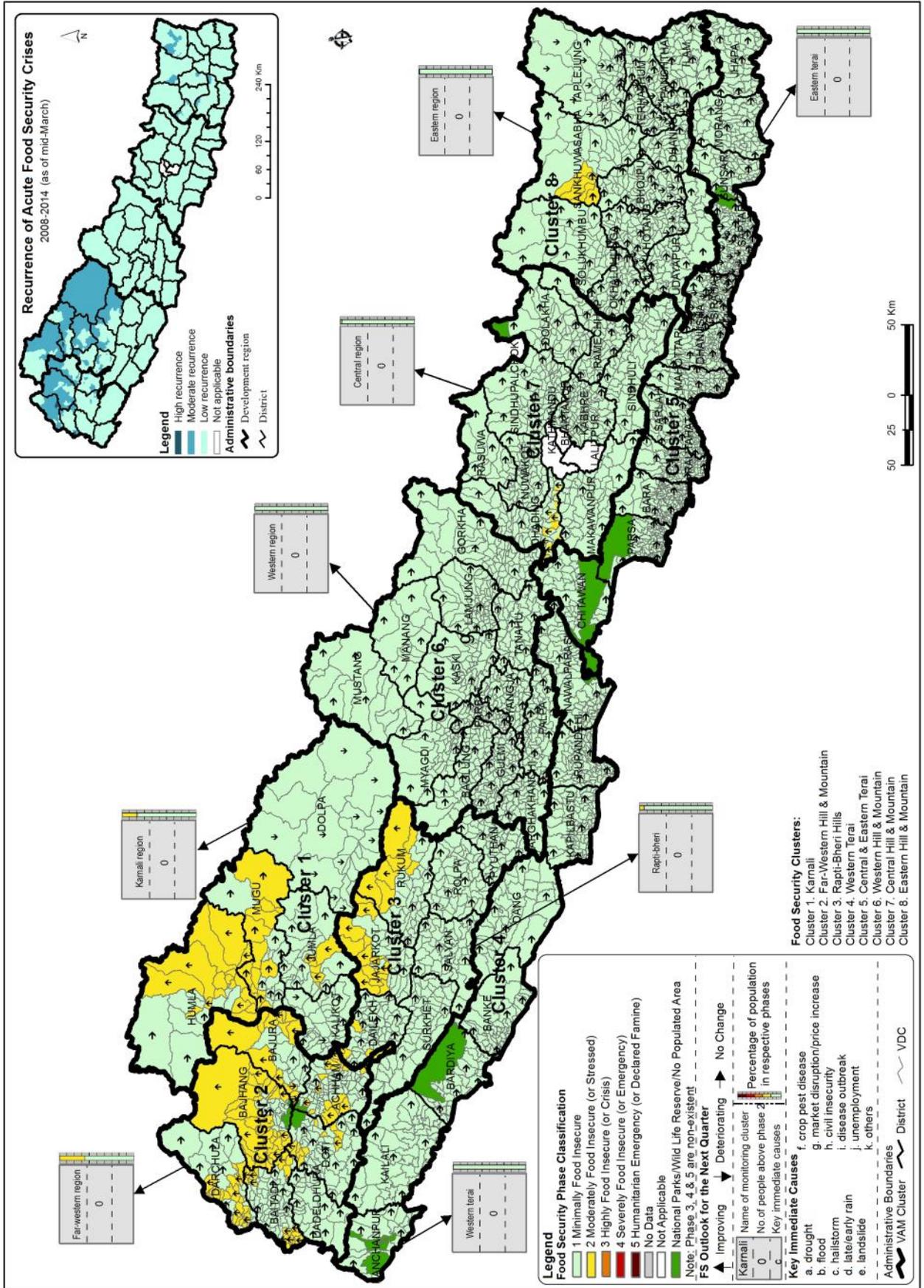
DFSNs classified the rest of the country as minimally food insecure (Phase 1). This can be attributed to remaining food stocks of summer crops, smooth market function, and income opportunities available through agriculture, NTFPs, wage labour and remittances.

From mid-March to mid-July 2014, the food security situation is likely to remain similar, with the number of moderately food insecure VDCs projected at 169 (149 in the eastern development region and 20 in the mid western development region). Four VDCs of Bajura that are currently moderately food insecure call for close monitoring as the condition might further deteriorate to being highly food insecure (Phase 3).

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 Map, mid-November 2013 to mid-March 2014
 Source: NeKSAP District Food Security Networks (DFSNs)



Incidence of food insecurity

In this reporting period District Food Security Networks (DFSNs) classified 184 VDCs, mostly in the mid- and far-western development regions, as moderately food insecure (Phase 2). These VDCs were located in the following districts: Achham (18), Bajura (14), Doti (11), Baitadi (15), Darchula (25), Bajhang (31), Jumla (6), Mugu (12), Doplā (7), Humla (17), Rukum (7), Jajarkot (12), Dailikh (4) and Sankhuwasabha (5). In addition, some wards in 12 southern VDCs of Dhading also experienced a similar situation. See **Map 1** for the spatial distribution of these areas.

In the mid- and far-western development regions this period was an agricultural lean season and hence the current situation is largely a reflection of this phenomenon. During this time household food stocks maintained through the summer crops typically declined and the harvesting of winter crops had yet to begin. Most VDCs classified as moderately food insecure are remote areas where wage labour opportunities were limited, income from agriculture was poor and remittance inflow was also lower in this period. Affected households in those areas were reported to have adopted coping strategies such as borrowing money, taking food on credit, reducing meal sizes and frequency and consuming less preferred food.

DFSNs classified the rest of the country as minimally food insecure (Phase 1). In these areas households are typically able to adjust to small scale stresses by means of existing social, natural and economic capital. In these areas, remaining stocks of summer crops, smooth market function and incomes through wage labour, agricultural and livestock products, Non Timber Forest Products (NTFPs) and remittances have contributed to better availability of and access to food.

Household food consumption*

Figure 1 presents the findings of the NeKSAP household survey on adequacy of food consumption in the current and previous time periods. In Nov 2013-Mar 2014, 19.6 percent of surveyed households consumed inadequate food, which is a slight deterioration compared to Jul-Nov 2013, when 15.9 percent of households had inadequate food consumption.

Figure 2 shows the variation in household food consumption by ecological belt in this period: a much larger proportion of households in the Mountains (39.2 percent) had inadequate food consumption compared to the national average, Hills and Terai.

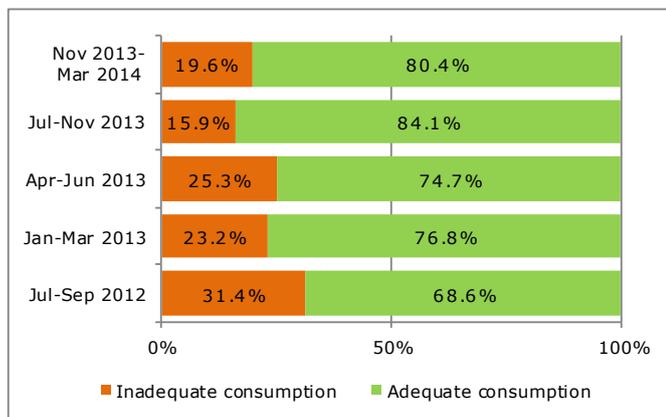


Figure 1: Household food consumption by round of data collection (Source: NeKSAP household survey)

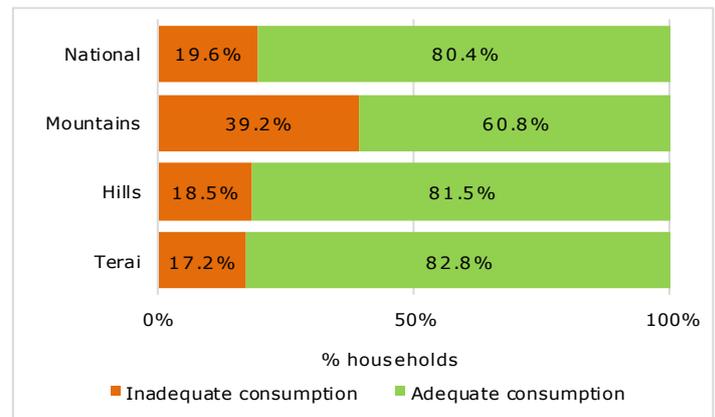


Figure 2: Household food consumption by ecological belt, Jul-Nov 2013 (Source: NeKSAP household survey)

Livelihoods

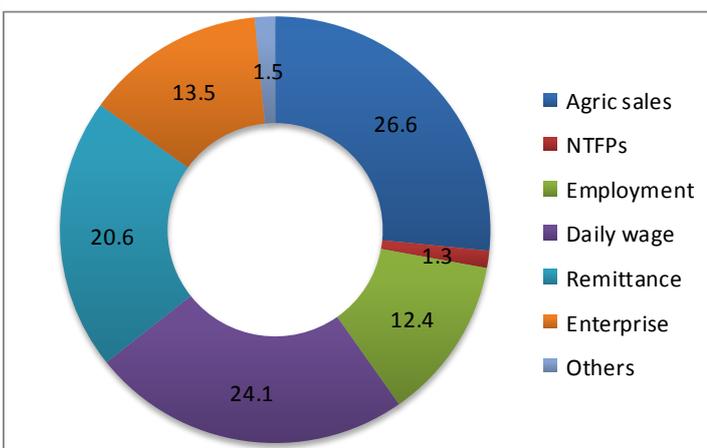


Figure 3: Share of household income by source, Nov 2013 - March 2014 (Source: NeKSAP household survey)

According to the DFSNs, during this period, most households across the country followed traditional livelihood strategies, with the exception of those in the moderately food insecure VDCs, where households are reported to have adopted traditional coping strategies like reducing meal sizes and frequency, eating less preferred food and relying on credit for food and non-food items.

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 26.6, 24.1, and 20.6 percent respectively.

The NeKSAP household survey also found that, compared to mid-July to mid-November 2013, the share of agriculture in household income decreased by 2.8 percent while that of remittances increased by 3.3 percent. The share of other sources has remained similar. Livelihood diversification, which is an indicator of vulnerability and/or resilience, doesn't indicate a substantial difference compared to the earlier reporting period. As such, a large proportion of households (46 percent) have a single income source.

* Households are classified as having inadequate or adequate food consumption based on the food consumption score (FCS), an indicator that takes into account the dietary diversity and food frequency of the household diet based on the consumption of 8 main food groups over the previous 7 days. Households that have a FCS less than or equal to 35 are classified as having inadequate food consumption, whereas households with a FCS greater than 35 are classified as having adequate consumption. For more information, please download: http://documents.wfp.org/stellent/groups/public/documents/manual_guide_proced/wfp197216.pdf



Availability: During this period, summer crops (maize, paddy and millet) were harvested and winter crops (wheat and barley) sown. The 2013 summer crop (paddy, maize, millet, and buckwheat) output was recorded at 7.67 million metric tons (mt), an increase of 12.10 percent compared to last year and 11.90 percent compared to the five-year average or 'normal' level. With the harvest of summer crops, household food stocks have increased in this period. According to the NeKSAP household survey, the average household cereal stock was 338 kg, which provides, on average, 4.2 months of household staple food sufficiency.

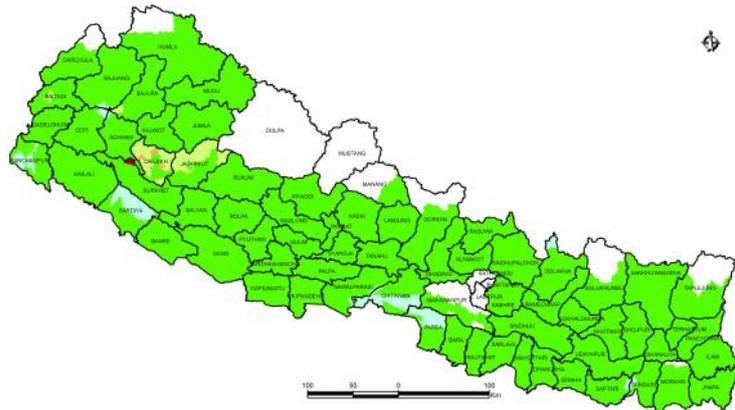
With regard to the winter crops, as shown in **Map 2**, DFSNs have reported normal crop growth in most areas except for some VDCs of Jajarkot, Dailekh, Surkhet, Bajura and Baitadi where wheat production is expected to drop due to hailstones.

The Government of Nepal and development partners provide food assistance (subsidized or in-kind) in different parts of the country. The Nepal Food Corporation (NFC) supplies subsidized rice, primarily in remote districts. According to the DFSNs, NFC supplied the following amounts of rice in this period: 1,337 mt for the Far Western Hills and Mountains, 2,138 mt for the Mid Western Hills and Mountains (including the Karnali), 264 mt for the Eastern Hills and Mountains, and 280 mt for the Western Hills and Mountains.

Household incomes: Nepal Rastra Bank (NRB) has reported a remittance inflow of 356.72 billion NPR (3.59 billion USD) during the first 8 months of the fiscal year 2013/14¹. Since remittance inflow during the first four months (mid-July to mid-November 2013) was recorded at 178.89 billion NPR (USD 1.8 billion) the total remittance inflow during the second trimester (mid-November 2013 to mid-March 2014) was 177.83 billion NPR (1.79 billion USD). According to NRB, there was a 3.2 percent drop in remittance inflow during February/March 2014 compared to the previous months of the fiscal year. According to the DFSNs, the Central Terai and Western Hills and Mountains are the largest remittance-receiving clusters.

Income from agriculture and livestock was also high in this period, particularly in the Central Terai (41 billion NPR), Eastern Hills and Mountains (13 billion NPR), Eastern Terai (12 billion NPR) and Western Hills and Mountains (10 billion NPR) clusters. Agricultural commodities contributing to household income included livestock products, winter vegetables, ginger, and citrus. Wage labor and income from NTFPs also contributed to household income in this period. However, DFSNs reported lower income from NTFPs.

Food price and markets: The year-on-year Consumer Price Index (CPI), as shown in **Figure 4**, increased by 8.9 percent in March 2014 compared to 10.2 percent over the same period last year. The food and beverage index increased by 11.3 percent compared to 10.8 percent over the same period last year. The vegetable sub-group demonstrated the largest increase at 13.9 percent in March 2014 compared to 9.4 in the corresponding period last year. **Figure 5** compares the retail price of major staples and potato in December-March 2013/14 with August-November 2013 and the corresponding period last year. Compared to December-March 2012/13, the price of coarse rice, wheat flour and red potato increased by 10.0, 10.1 and 11.3 percent respectively.



Map 2: Crop map (wheat). (Source: DFSNs)

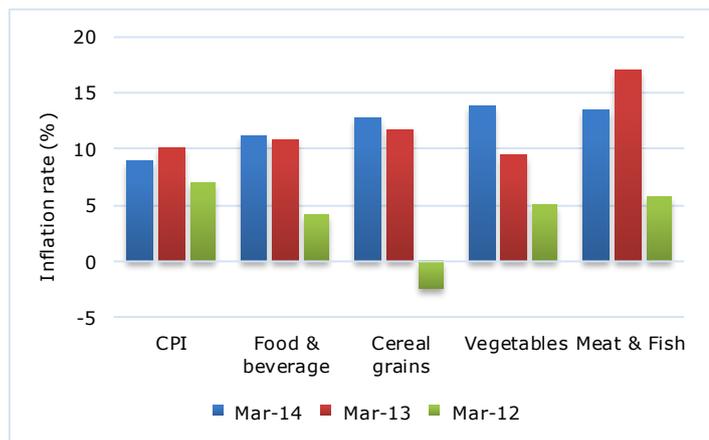


Figure 4: Year-on-year inflation rate (Source: Nepal Rastra Bank)

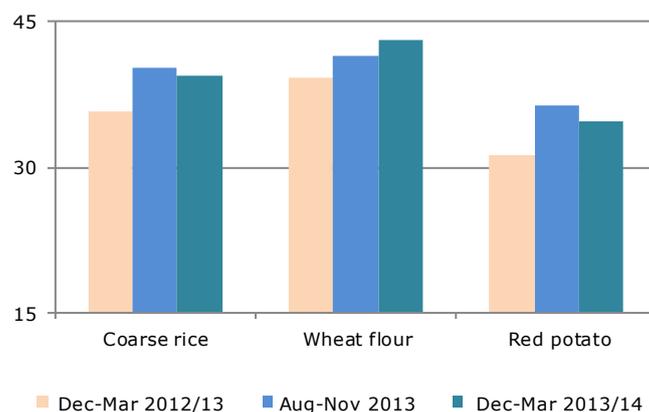


Figure 5: Retail price of major staples and potato (Source: MoAD)

Food purchasing power of wage laborers: **Table 1** presents the average daily rate of wage laborers and average price of coarse rice by ecological belt from Nov 2013 to Feb 2014. These two variables are used to calculate the terms of trade (ToT), 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. For example, during this period, consumers in the mountains, on average, had to pay 38.8 percent more than in the hills and 58.1 percent more than in the Terai for coarse rice. On average, one day's wage can purchase 7.1 kg of coarse rice in the mountains and 9.3 and 9.4 kg in the hills and Terai respectively.

Table 1: Wage to cereal terms of trade, Nov-13 to Feb-14 (Source: NeKSAP market survey)

Ecological belts	District wage rate (NPR/day)	Price of coarse rice (NPR/kg)	Terms of Trade (ToT)
Mountains	387	54.8	7.1
Hills	369	39.5	9.3
Terai	325	34.7	9.4
Average	361	43.0	8.4



¹ Nepal Rastra Bank, Current macro economic situation of Nepal (Based on eight months of data of 2013/14)



Utilization: According to the 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 3.7 percent of surveyed children under five years of age (n=298) reporting diarrhea. Furthermore, 2.9 percent of children under five 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.

The number of districts and VDCs declared Open Defecation Free (ODF), an indicator of community sanitation, has increased. As of June 2014, 13 districts have been declared ODF. As shown in **Figure 6**, the Western Hills and Mountains (WHM) cluster and the Karnali have the largest number ODF VDCs, with more than 60 percent of VDCs being ODF. According to the DFSNs, the number of ODF VDCs was 1,283 (35 percent of all VDCs in Nepal; an increment of 8 percent over the last reporting cycle) at the end of this period.

Stability: According to the DFSNs, there were no major disasters or hazards affecting the food security situation in this period.

Rainfall was reported as normal except for some districts in the eastern development region, e.g., Siraha, Saptari, Ilam, Panchthar, Tehrathum, and Sankhuwasabha, where rainfall was observed below normal (**Map 3**). On the other hand, some VDCs in Jajarkot, Dailekh, Surkhet, Bajura and Baitadi had hailstones which damaged winter crops (wheat and baley). Similarly, some Terai districts (especially Siraha and Saptari) experienced the impact of a cold wave on agricultural production, particularly in potato.

Despite occasional snowfall induced road blockades in some areas of the far- and mid-western mountains, road connectivity was smooth and the supply of food commodities was reported normal.

The NeKSAP household survey also confirms the low level of shocks in this period: 8.7 percent of the surveyed households experienced a shock, and among these, more than 60 percent reported human disease/illness as the major source.

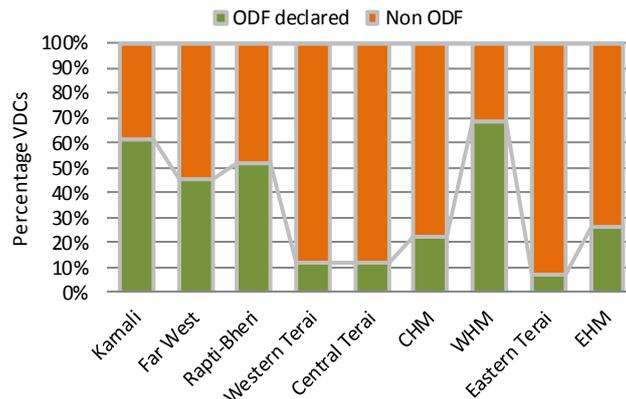
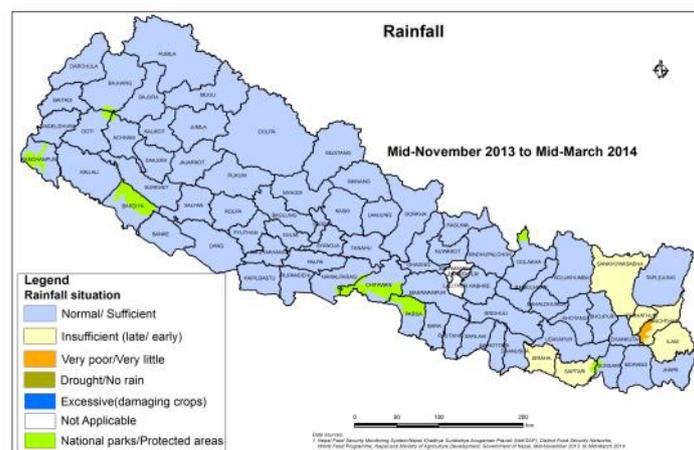


Figure 6: Percent of ODF VDCs by cluster, Nov 2013 (Source: DFSN)



Map 3: Rainfall situation (Source: DFSNs)

Food security outlook (mid-March to mid-July 2014)

During the next four months, winter crops (wheat and barley) will be harvested and summer crops (maize and paddy) will be in the field. With normal growing conditions, winter crop production is expected to be normal except for some areas of Bajura, Baitadi, Dailekh, Jajarkot, Siraha and Saptari. However, in many hill and mountain districts, winter crops have a marginal share in overall food supplies and by this time household food stocks maintained through summer crops will be low. With the majority of cultivated land occupied by cereal crops, income from vegetables is also expected to be relatively lower. Additionally, with the onset of the monsoon, supply offsets and associated price hikes are anticipated. The cumulative effect of these factors will be observed in 169 VDCs, which are projected to be food insecure (Phase 2 or higher) during the period of mid-March to mid-July 2014.

Eastern Hills and Mountains: This cluster is expected to observe an overall deterioration in the food security situation compared to the last cycle (mid-November 2013 to mid-March 2014). Out of 516 VDCs and municipalities in this cluster, 60 are anticipated to be moderately food insecure: 21 in Khotang, 12 in Bhojpur, 12 in Taplejung, 8 in Panchthar and 7 in Tehrathum. Most of these VDCs are the drier high altitude areas where cereal crop production in general is marginal and production of wheat in particular is very low; during this period of time income from other agricultural commodities is also low. In Khotang and Bhojpur, with the lifting of the bailey bridge, market connectivity is expected to be a problem and a rise in prices is expected.

Eastern Terai: This cluster is also expected to observe a deterioration in the food security situation compared to the last cycle. Out of 391 VDCs and municipalities in this cluster, 89 VDCs (58 in Saptari and 31 in Siraha) are expected to be moderately food insecure. These VDCs are drier areas of the districts and observed production drops in paddy (25-40 percent) due to a dry spell. Production of wheat is also marginal in these areas. Additionally, winter potato production also plummeted due to cold waves.

Karnali: In the Karnali, where six VDCs of Jumla were classified as moderately food insecure during mid-July to mid-November 2013, the number of moderately food insecure VDCs rose to 42 during mid-November 2013 to mid-March 2014. Out of those 42 VDCs, 19 VDCs (12 in Mugu and 7 in Dolpa) are expected to remain in the same situation, i.e. moderately food insecure. Though barley will be harvested in this period, due to marginal acreage, its contribution to local food supplies will be very low. In Mugu, the airport is expected to remain closed for three months thereby constraining food supplies to the district.

Far Western Hills and Mountains: This cluster, as a whole, is expected to experience an improvement in the food security situation. Nevertheless, four VDCs of Bajura (*Kanda, Jayabageswori, Dogadi and Gudukhati*), which were classified as moderately food insecure during mid-November 2013 to mid-March 2014, are expected to be highly food insecure situation during mid-March to mid-July 2014.

The rest of the country is expected to be minimally food insecure. Though monsoon-induced road blockades and localized disasters are envisaged, their impact on overall food security will be minimal and transient unless there is a major disaster.

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Updates, District Information and Contacts

Updates

- **NeKSAP regional debriefing meetings:** MoAD and WFP organized NeKSAP regional debriefing meetings in each of the five development regions from 16-20 May and 20-21 June. During the debriefing meetings food security focal points from District Agriculture Development Offices (DADOs) presented an overview of the food security situation of their respective districts from mid-November 2013 to mid-March 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.
- **NeKSAPInfo roll-out:** NeKSAPInfo, the information management system for NeKSAP, was completed in December 2013. Following this WFP conducted a series of trainings for district-based NeKSAP staff and DADO food security focal persons. NeKSAPInfo will be rolled out throughout 2014.
- **Food security response analysis:** MoAD and WFP have developed a food security response analysis prototype to better link food security data to the Government's planning and decision making process. After the initial field testing of the tool in some districts, a nationwide roll out of the prototype has been planned for 2015. Towards this, MoAD and WFP organized a training of trainers (ToT) on 16-18 February 2014 in Makwanpur. Following this participants facilitated district-level field tests in three districts, Kalikot (23-26 February), Makwanpur (12-15 March), and Bara (25-28 March), with DFSN members. To complement the field tests, a consultation meeting was organized in Khotang district to share preliminary lessons and seek feedback on the prototype and process. The field test was well received and as a result DFSN members prepared food security response plans in Kalikot and Makwanpur. The District Council in Kalikot approved the draft food security response plan for implementing activities for one year, while the District Council in Makwanpur and Bara have endorsed the overall food security response analysis process.
- **Winter crop assessment:** MoAD, WFP and FAO conducted a winter crop assessment mission in April/May to assess the production and associated opportunities and challenges of 2013/14 winter crops and outlook of 2014 summer crops. Five field missions visited 15 districts covering the five development regions and three ecological belts of the country. The field missions interacted with district level stakeholders and observed crop cutting surveys in different areas. The findings of the crop assessment mission are published in the Crop Situation Update.
- **NeKSAP procedural guideline:** With the objective of mainstreaming food security monitoring and institutionalizing NeKSAP within the Government of Nepal, MoAD, NPC and WFP drafted the NeKSAP procedural guideline. As part of the preparation process, stakeholder consultations were undertaken in Jumla, Dailekh and Kapilvastu during 15-20 March 2014. The district-level consultations will culminate in ministerial- and national-level consultations after which the final version of the NeKSAP procedural guideline will be submitted to the Cabinet for endorsement.

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
Sunsari
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
Rusuwa
Makwanpur
Dhading

Cluster 8. Eastern Hill and Mountain

Taplejung
Panchthar
Sankhuwasabha
Ilam
Okhaldhunga
Khotang
Dhankuta
Udayapur
Solukhumbu
Bhojpur
Terhathum

Contacts and further information:

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