



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 2013, the first trimester of Nepalese Fiscal Year 2070/71.

This bulletin is based primarily on the outcomes of NeKSAP district food security network (DFSN) meetings held in 72 of 75 districts and the results of the NeKSAP household survey, a nationally representative sample survey, collected between July-October 2013.

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. The situation in this period has improved significantly compared to April-June 2013 when 145 VDCs were classified as food insecure (134 moderately food insecure and 11 highly food insecure).
- **Six Village Development Committees (VDCs) of Jumla 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. Compared to April-June 2013, the share of remittances in household income increased while that of daily wages fell. Nepal Rastra Bank estimated remittance inflow at 178.89 billion NPR (USD 1.8 billion).
- According to the NeKSAP household survey, **84.1 percent of households had adequate food consumption**. Average household cereal stock was 255 kg, which provides roughly 3.3 months of food sufficiency for an average household.
- **There were no major disasters affecting the food security situation**. Rainfall was normal except for some districts in the eastern Terai. Nevertheless, some areas observed local climatic events like hailstones, floods, landslides, and dry spells. Their effect was observed on acreage and production loss of paddy but not on overall food availability and access.
- According to Nepal Rastra Bank, **the year-on-year Consumer Price Index (CPI) increased by 10 percent in November 2013** compared to an increase of 10.5 percent in the corresponding period last year. The vegetable sub-group observed the largest increase of 35.3 percent in November 2013 compared to 3.5 percent in the same period last year.

It should be noted that July-August is traditionally an agricultural lean season and a seasonal deterioration in the food security situation is expected; however, with the start of the maize and paddy harvest from September-October onwards, and in the absence of any significant shocks, the food security situation usually improves. As such, the results presented should be interpreted accordingly.

CURRENT FOOD SECURITY SITUATION AND OUTLOOK

Food Security Cluster	Current period: mid-July to mid-November 2013	Change from April to June 2013	Outlook for mid-November 2013 to mid-March 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

- Decline
- Stay the same
- Improve

Most parts of the country have experienced an improvement in the food security situation this period, particularly in the Karnali, Far-Western Hill and Mountain, Rapti-Bheri Hills, and Eastern Hill and Mountain clusters.

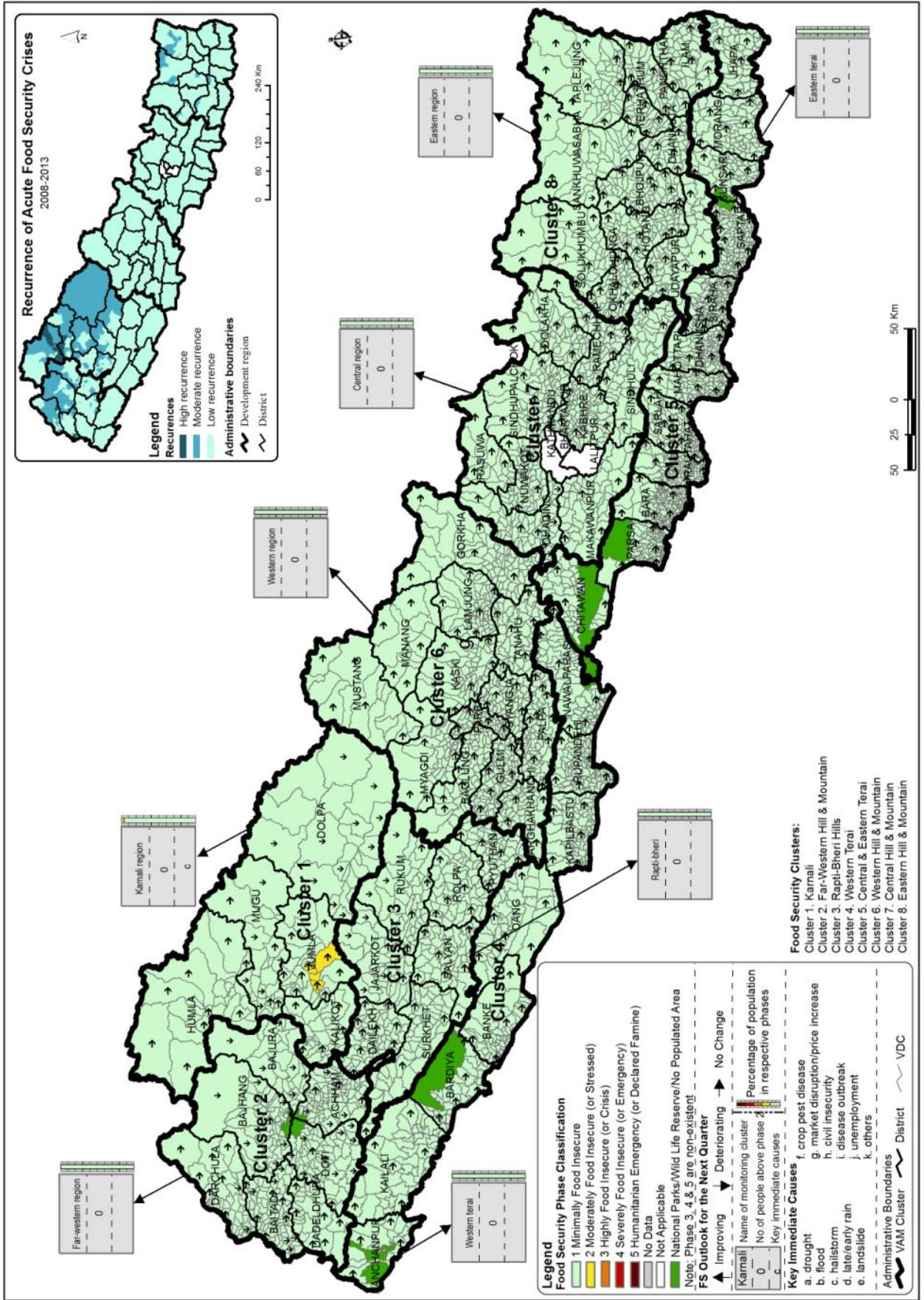
Key factors contributing to the improvement include sufficient household food stocks, daily wages, remittances, and income from vegetables, fruits and Non Timber Forest Products (NTFPs). Most of the districts in the Mid and Far Western Development Regions also harvested the main season paddy crop, thereby increasing food stocks.

From mid-November 2013 to mid-March 2014 (Mangsir-Falgun) the food security situation is likely to deteriorate in 155 VDCs in the Karnali, Rapti-Bheri Hills, and Far-Western Hill and Mountain clusters and 5 VDCs in the Eastern Hill and Mountain cluster. Most areas in Bajhang and Bajura districts are likely to experience a seasonal deterioration in the food security situation.

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-July to mid-November 2013
 Source: NeKSAP District Food Security Networks (DFSNs)



Spatial variation in the incidence of food insecurity

Between mid-July and mid-November 2013, six VDCs of Jumla, namely *Haku*, *Tatopani*, *Labhra (Lamra)*, *Talium*, *Kudari*, and *Lih* (*Rara*), were classified as **moderately food insecure**, a condition 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 (See **Map 1**). In those VDCs, hailstones damaged 552 mt of paddy in 675 ha of land, and directly affected 1,883 households; the crop production loss was estimated at 45 percent. In the absence of other significant income opportunities, affected households in these VDCs have experienced reduced household food stocks.

VDCs in the rest of the country were classified as **minimally food insecure**, a situation where households can secure food and non-food needs without changing livelihood strategies, and households are capable of adjusting to small scale stresses caused by hazards, disasters, shocks, epidemics and conflicts by means of existing social, natural and economic capital. With the onset of the summer crop harvest, coupled with adequate food stocks maintained with winter cereals (especially wheat), the number of food insecure VDCs have fallen from 145 in the last period (April-June 2013) to six VDCs in this period.

It should be noted though that the period of July to August represents a typical agricultural lean season in Nepal, so the food security situation up to September could have been quite different compared to what is observed from October onwards.

Household food consumption*

Figure 1 presents the findings of the NeKSAP household survey on the adequacy of food consumption in the current and previous time periods. In July-November 2013, 15.9 percent of surveyed households consumed inadequate food, which is an improvement compared to April-June 2013, when 25.3 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 (31.4 percent) had inadequate food consumption compared to the national average, Hills and Terai.

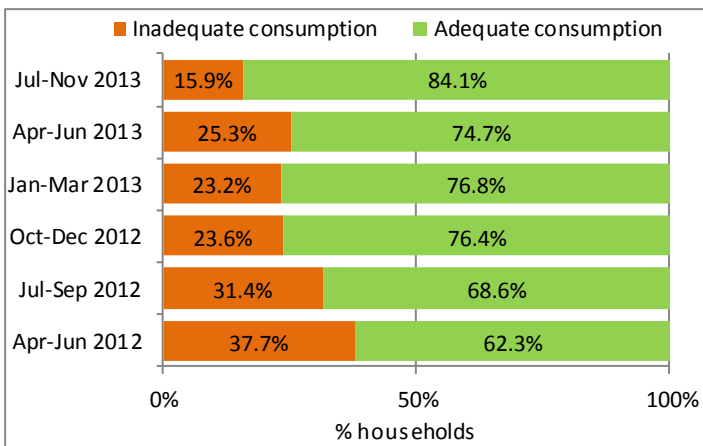


Figure 1: Household food consumption by round of data collection (Source: NeKSAP household survey)

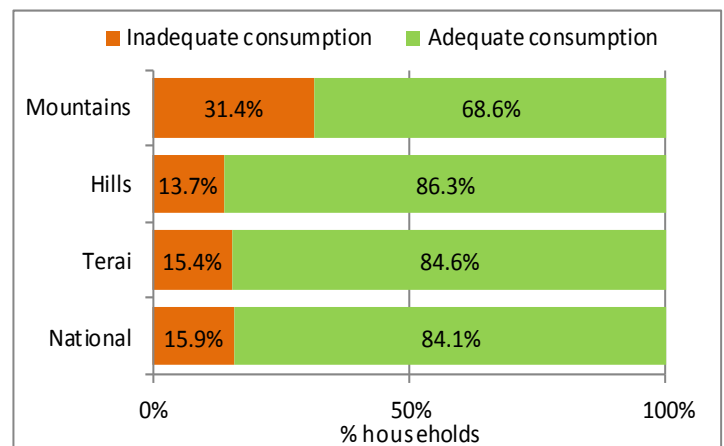


Figure 2: Household food consumption by ecological belt, Jul-Nov 2013 (Source: NeKSAP household survey)

Livelihoods

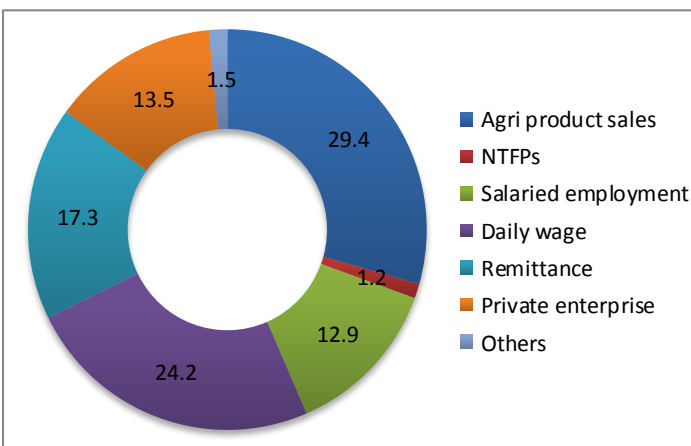


Figure 3: Share of household income by source, Jul-Nov 2013 (Source: NeKSAP household survey)

According to the DFSNs, during this period, most households across the country followed traditional livelihood strategies, with the exception of those in the six VDCs of Jumla where there were significant crop losses and households reportedly resorted to seasonal migration and greater reliance on natural resources.

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 29.4, 24.2, and 17.3 percent respectively. These results are comparable to the Nepal Living Standards Survey (NLSS-III) 2010/11, which found that farm income and remittances accounted for 27.7 and 17.2 percent of household income respectively.

The NeKSAP household survey also found that, compared to April-June 2013, the share of remittances in household income has increased by 3.33 percent while that of daily wages has fallen by 4.76 percent. In the Terai, however, the share of agriculture has gone up by 5.85 percent. Livelihood diversification, which is also an indicator of vulnerability and/or resilience, indicates a larger number of households (47 percent) have a single income source followed by 39 percent households having two income sources.

* 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: In the Far Western and Mid Western Development Regions, summer crops (paddy, maize, and millet) were harvested during this period and the production was reported as normal. In other regions, maize was harvested, while paddy harvesting has begun. Some areas also had spring season maize and early paddy harvests. With the timely and adequate monsoon and the larger availability of fertilizers, summer crop production is expected to be normal in these regions as well. Hence, with these harvests, households have reported increased food stock levels, particularly after October. Remaining stocks of winter cereals and market purchases have also contributed to household food stocks. According to the NeKSAP household survey, the average household cereal stock was 255 kg, which provides roughly 3.3 months of household food sufficiency on average.

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: 1,454 mt for the Far Western Hills and Mountains, 1,779 mt for the Mid Western Hills and Mountains (including Karnali), 563 mt for the Eastern Hills and Mountains, and 250 mt for the Western Hills and Mountains. In six VDCs of Humla and five VDCs of Mugu, the Chinese Government provided 86 mt of food for 2,726 households. The World Food Programme (WFP) provided 556 mt food to 4,492 households of 191 VDCs in Bajura, Dailekh, Dolpa and Humla.

Household incomes: Remittances increased substantially in this period as it coincided with several major festivals in Nepal. Nepal Rastra Bank estimated an inflow of 178.89 billion NPR (worth USD 1.8 billion) in this period¹, an increase of 40.5 percent (23.1 percent in USD terms) compared to the same period last year. According to the DFSNs, a large proportion of households (45 percent) in the Western Hill and Mountain cluster received remittances.

Income from agriculture was also high, with the largest amount in the Central Terai, where Chitwan district alone reported income worth NPR 38 billion (worth USD 38 million). Key agricultural commodities contributing to household income included livestock products, ginger, citrus, banana, tea, cardamom, nuts, honey, and vegetables like cabbage, cauliflower, and beans.

Wage labor and Non Timber Forest Products (NTFPs) have also contributed to household incomes and food security. Several clusters, particularly those in the Mid and Far Western Hills and Mountains, benefitted from income from NTFPs, especially from *yarchagumba*. For instance, according to the DFSNs, an estimated 13,700 households of Darchula and Bajhang earned USD 19 million through *yarchagumba* collection, while in 104 VDCs of Karnali, NTFPs are reported to have generated household incomes worth USD 13 million.

Food price and markets: The year-on-year Consumer Price Index (CPI), as shown in **Figure 4**, increased by 10 percent in November 2013 compared to 10.5 percent in the same period last year. The food and beverage index increased by 13.5 percent compared to 8.9 percent in the same period last year. The vegetable sub-group demonstrated the largest increase at 35.3 percent in November 2013 compared to 3.5 in the corresponding period last year. **Figure 5** compares the retail price of major staples and potato in July-October 2013 with March-June 2013 and the corresponding period last year. Compared to July-October 2012, the price of coarse rice and wheat flour increased by 14.1 and 11.8 percent respectively, while that of red potato dropped by 7.2 percent.

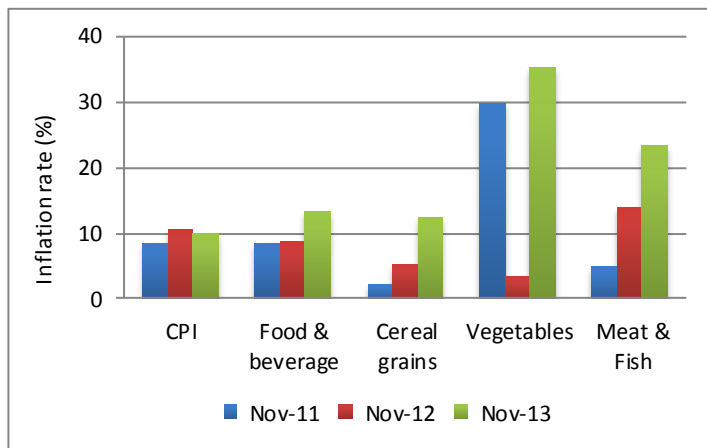


Figure 4: Year-on-year inflation rate (Source: Nepal Rastra Bank)

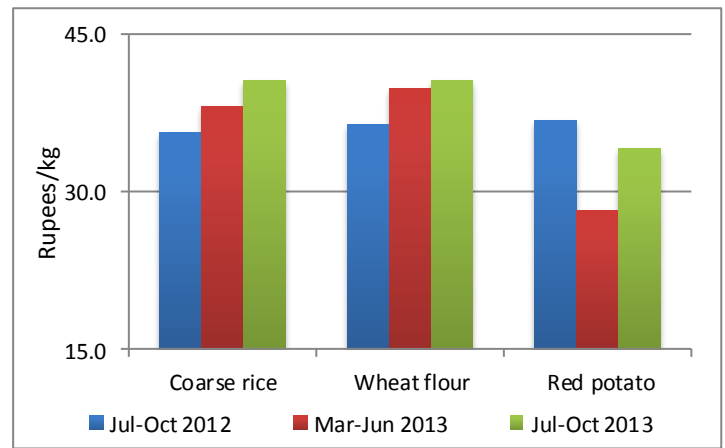


Figure 5: Retail price of major staples and potato (Source: MoAD)

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 July-October 2013. 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. This is because food commodities, in general, are more expensive in the mountains. For example, during this period, consumers in the mountains, on average, had to pay 67 percent more for coarse rice, 107 percent more for wheat flour, 32 percent more for lentil, and 36 percent more for soybean oil than in the Terai.

Table 1: Wage to cereal terms of trade (ToT) (Source: NeKSAP market survey)

Ecological belts	District wage rate (NPR/day)	Price of coarse rice (NPR/kg)	Terms of Trade (ToT)
Mountains	387	58	7
Hills	351	40	9
Terai	311	35	9
Average	350	44	8

¹ Nepal Rastra Bank, [http://www.nrb.org.np/ofg/current_macroeconomic/Current_Macroeconomic_Situation_\(English\)--2070-09_Text_\(Based_on_Four%20Months_Data_of_2070-71\).pdf](http://www.nrb.org.np/ofg/current_macroeconomic/Current_Macroeconomic_Situation_(English)--2070-09_Text_(Based_on_Four%20Months_Data_of_2070-71).pdf)





Utilization: According to the DFSNs, there were no significant health and sanitation issues impacting food utilization this period. Evidence from the NeKSAP household survey supports this, with 4.7 percent of surveyed children under five years of age (n= 342) reporting diarrhea as compared to 11.1 percent during April-June 2013. Furthermore, 5.4 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 selective feeding programmes.

The number of districts and VDCs declared Open Defecation Free (ODF), an indicator of community sanitation, has increased. As of October 2013, 10 districts have been declared ODF with the recent addition of Makwanpur and Bhaktapur in July and October 2013 respectively². As shown in **Figure 6**, the Western Hills and Mountains (WHM) cluster has the largest number ODF VDCs, with more than 60 percent of VDCs being ODF. According to the DFSNs, the number of ODF VDCs was 1,061 (27 percent of all VDCs in Nepal) 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 normal except for some districts in the eastern Terai (**Map 2**). Overall, the monsoon was 15 percent above the 'normal' level and it was even higher during July and August, which were 21 and 29 percent above the 'normal' level respectively. Nevertheless, some areas observed localized climatic events like floods (Kanchanpur), landslides (Dailekh and Tanahun) and dry spells (Siraha, Saptari, Dhanusa and Mahottari). Their effect was observed on acreage and production loss of paddy (e.g., in Dhanusa, Mahottari, Siraha, Saptari, and Jumla) but not on overall food availability and access. In Jumla, hailstones damaged part of the paddy crop as noted earlier.

The NeKSAP household survey affirms the low level of shocks in this period: only 12.5 percent of the surveyed households experienced a shock, and among these, more than 50 percent reported human disease/illness as the major source.

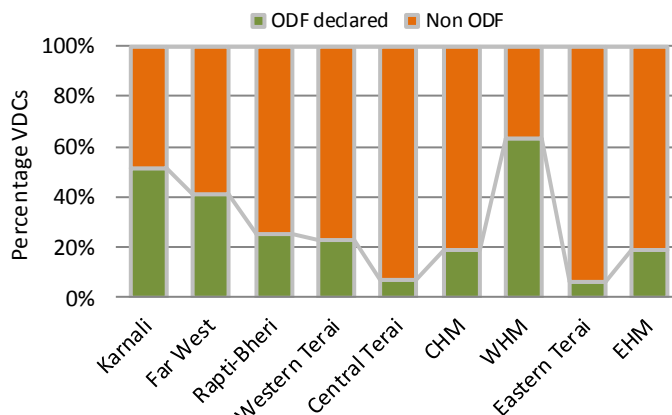
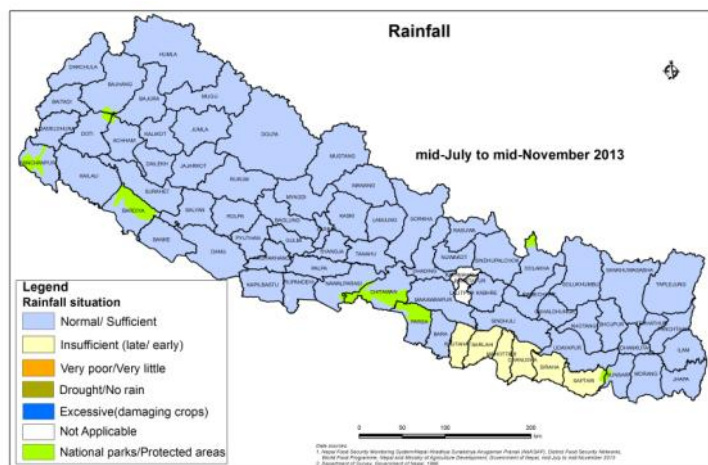


Figure 6: Percent of ODF VDCs by cluster, November 2013 (Source: DFSN)



Map 2: Rainfall situation (Source: DFSNs)

OUTLOOK (mid-November 2013 to mid-March 2014)

During the next four months, summer crops will be completely harvested and winter crops will have been sown. In the Mid and Far Western regions, where summer crops are harvested earlier, household food stocks start to be depleted during this period. Limited income from vegetables and NTFPs and a lower flow of remittances are also expected compared to the current reporting period. Additionally, with winter rain and snowfall, road blockades and minor supply offsets are expected. Hence, during this period, some areas of the country (especially the mountain districts) are expected to observe a seasonal deterioration in the food security situation.

Far Western Hills and Mountains: Most districts in this cluster (except Dadeldhura) are expected to observe a seasonal deterioration in food security, which is largely a reflection of the lean season effect on household food stocks and income from the agriculture sector. These areas include 32 VDCs of Doti, 20 VDCs of Darchula, 18 VDCs of Achham, 15 VDCs of Baitadi, and most of Bajhang and Bajura. In these areas, household food stocks are expected to be depleted and incomes expected to fall. With seasonal out-migration usually occurring after winter crop sowing, no significant hand-carry remittance inflow is expected.

Karnali: Most areas in this cluster are expected to observe a deterioration in the food security situation during mid-November 2013 to mid-March 2014. These areas include all of Dolpa, 18 southeast VDCs of Humla, and 16 VDCs of Mugu. In these areas, household food stocks maintained through the summer crops will be depleted, income from NTFPs is expected to be lower, and snowfall induced blockades and supply offsets are anticipated. All of Kalikot and a majority of Jumla, however, are expected to be minimally food insecure. In Jumla, the six VDCs currently classified as moderately food insecure are expected to remain in a similar condition.

Eastern Hills and Mountains: Except for five north-west VDCs of Sankhuwasabha, this cluster is expected to observe a stable food security situation (i.e., classified as minimally food insecure). In these areas, paddy will be completely harvested and the stock of maize and millet will also contribute to household food availability. Income from high value commodities, such as cardamom, broom grass, and NTFPs, will continue and smooth road connectivity is expected to ease physical access to food markets. In five VDCs of Sankhuwasabha, however, household food stocks are expected to decline and limited income is expected from NTFP, which will likely result in a deterioration in the food security situation.

In the rest of the country, i.e., Rapti-Bheri Hills, the entire Terai, and a majority of the Central Hills and Mountains, the food security situation is expected to be stable, largely on the grounds of household food stock maintained by summer crops, well functioning markets, and regular income from vegetables and high value commodities. The food security situation is expected to deteriorate in 12 southern VDCs of Dhading as household food stocks from maize will decline, and only limited wage opportunities will be available. These VDCs are largely inhabited by *Chepang*³, one of the most vulnerable ethnic communities in Nepal.

² <http://www.wash-rcnn.net.np/images/pdf/rcnn%20odf%flyer%final.pdf>

³ http://en.wikipedia.org/wiki/Chepang_people



Updates

- NeKSAP regional debriefing meetings:** MoAD and WFP organized NeKSAP regional debriefing meetings in each of the five development regions from 12-24 January 2014. 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 in mid-July to mid-November 2013 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. WFP provided an orientation on revised indicators of the Integrated Food Security Phase Classification (IPC) 2.0.
- Summer crop assessment:** MoAD, WFP and FAO conducted a crop assessment in 15 districts in December to assess the production and associated opportunities and challenges of the 2013 summer crops and outlook of the 2013/14 winter crops. The International Rice Research Institute (IRRI) and the International Maize and Wheat Improvement Centre (CIMMYT), with support from the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS), participated in the crop assessment as part of the methodology review.
- Market and price analysis training:** MoAD and WFP organized a three-day training in Kathmandu in September. In total 44 participants from 30 districts and 5 Regional Agriculture Directorates participated in the training to enhance their knowledge and skills on market and price analysis.
- NeKSAPInfo roll-out:** NeKSAPInfo is the information management platform for NeKSAP. It is being customized as a full-fledged client server system, which will be rolled out by mid-2014 at the district level. Once the system is deployed DFSNs will be able to transmit data to the central server at MoAD directly.
- Food security area classification based on outcome indicators:** Following the revised indicators and methodology in IPC 2.0, NeKSAP has initiated area classification based on outcome indicators across Nepal. DFSNs will produce phase classification maps accordingly.
- Food security response analysis prototype and pilot:** MoAD and WFP have developed a food security response analysis prototype to better link food security information and evidence to the Government's planning and decision making process. It will be piloted from February in three districts, Makwanpur, Kalikot, and Bara, and rolled out nationwide in 2014-2015.
- NeKSAP website:** MoAD and WFP developed a dedicated website (www.neksap.org.np) to disseminate NeKSAP information products widely and systematically. It will be launched in March.
- Winter crop assessment:** MoAD, WFP and FAO will conduct a crop assessment in April to assess the production and associated opportunities and challenges of the 2013/14 winter crops and outlook of the 2014 summer crops.

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
Rasuwa
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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