



Nepal Food Security Bulletin

Issue 32, August 2011



Situation Summary

This issue covers the period April-June 2011, the harvesting/post-harvest season of main winter crops of wheat and barley. The overall food security situation has remained stable across Nepal. This is mainly attributed to a good harvest of winter crops (April-June) and employment opportunities generated by development aid. The main winter crops of wheat and barley production increased by 12.2 percent and 9.6 percent respectively compared to last year. The wheat production set a national record of 1.75 million MT (MoAC/WFP/FAO Joint Assessment of 2010/11 Winter Crops, June 2011). The situation however remains a concern for some in some pocket areas where crops were affected by localized natural disasters like insufficient rainfall and hailstorm.

The Saptari district in the Eastern Terai reported a 60 percent reduction of wheat and spring paddy production due to a dry spell. This was cumulative to the 2010 reduction of 40-60 percent in the main paddy production. The NeKSAP District Food Security network (DFSN) has identified 28 VDCs in the south-western belt of the district as highly food insecure (Phase 3). Among the affected are the landless, small land holders and dallit communities. The monsoon has been progressing well and the main paddy plantation is currently at its peak. The population has benefited from employment opportunities from agricultural activities. The situation is therefore likely to improve gradually in the coming month.

In the Eastern Hill and Mountain districts, relatively larger areas are reported as moderately food insecure (Phase 2). Out of the 516 VDCs in these districts, 143 VDCs in Sankhuwasabha, Solukhumbu, Okhaldhunga, Khotang, Bhojpur, Taplejung, Panchthar and Udayapur are classified as moderately food insecure. Household food stock is sufficient for 1 to 2 months and the market price has gone up by 10-30 percent in those VDCs. This reflects a seasonal deterioration in those areas where winter crops such as wheat and barley are cultivated in limited areas and hence do not play a significant role in food security. The summer crop of maize is growing well and will be harvested in July-August, which is expected to contribute to a food security situation improvement.

Most of the Mid and the Far Western Hill and Mountain (MFWHM) districts reported a food secure situation (Phase 1). Overall wheat and barley production ranged from normal to a 30 percent or higher increase compared to last year. Development programmes supported by the government, PAF, WFP, FINNIDA-RVWRMP, RAP, and Helvetas have created good employment opportunities. Although the entire Dolpa as well as parts of Mugu, Humla, Dalilekh and Baitadi are moderately food insecure (Phase 2), the overall situation is better than the same time last year when these areas were mostly categorized as highly food insecure (Phase 3).

Main summer crops of maize and paddy are growing well across the country and the overall production outlook is good.

High food prices remain a concern. The year-on-year inflation, measured by the Consumer Price Index, increased by 8.8 percent in mid-June 2011 whereas the indices of the cereal subgroup increased by 10.4 percent (Nepal Rastra Bank).

Food Security Overview

Food Security Cluster	Current Qtr.	Change over past quarter	Next 3 month outlook	Next 6 month outlook
1. Karnali	●	↑	↓	↑
2. Far-Western Hill and Mountain	●	↑	↓	↑
3. Rapti-Bheri Hills	●	→	→	→
4. Western Terai	●	→	→	→
5. Central & Eastern Terai	●	→	→	→
6. Western Hill and Mountain	●	→	→	→
7. Central Hill and Mountain	●	→	→	→
8. Eastern Hill and Mountain	●	→	→	→
Food insecure population	3.48 mil	→	→	→

Good production of winter crops, wage employment opportunities created by development programmes, remittances, and regular supply of food to the local markets contributed to a stable food security situation across Nepal. A seasonal deterioration is reported in part of the Eastern Hill and Mountain districts where the winter crops of wheat and barley are cultivated in limited areas and do not play a vital role in food security.

The situation in Upper Dolpa and some VDCs in the northern and the southern belt of Baitadi are likely to deteriorate to the highly food insecure phase during the next cycle as there will be no incoming harvest and employment opportunities as well as market supply will be affected by monsoon.

The food security situation in the rest of the country will remain stable/expected to improve due to the positive outlook of summer crops.

Classification key See page 3 for more detailed classification explanation

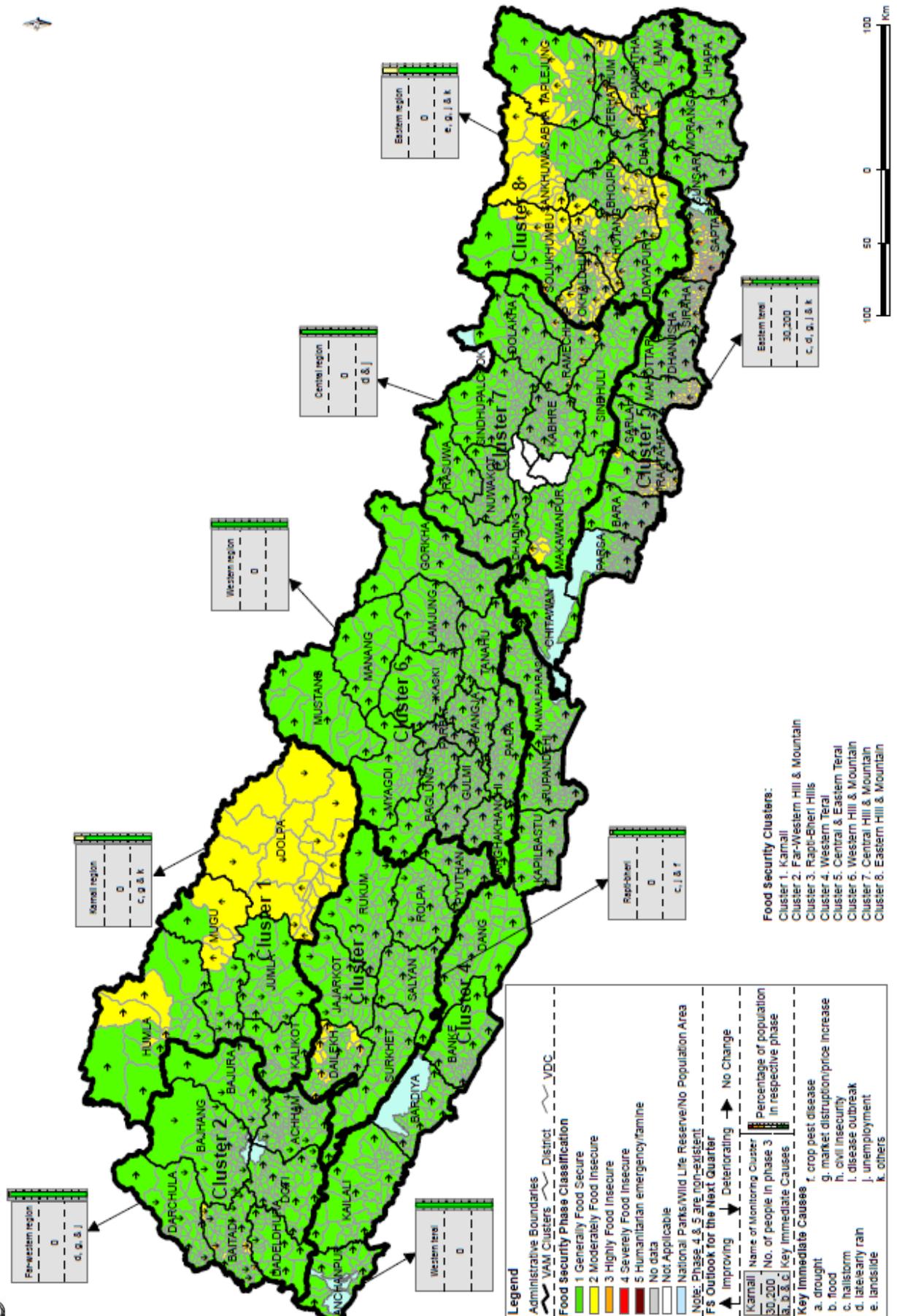
- Food secure
- Highly food insecure
- Humanitarian emergency/ famine
- Moderately food insecure
- Severely food insecure



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Food Security Phase Map

Map 1. Nepal Food Security Map April—June, 2011



Map 1.



नेपाल खाद्य सुरक्षा अनुगमन प्रणाली
Nepal Khadhyā Surakshya Anugaman Pranālī (NeKSAP)
Nepal Food Security Monitoring System

Jointly Produced by:
MoAC: Food Security Monitoring Unit
WFP: Food Security Monitoring and Analysis Unit



An A3 size Food Security Country Map is available for download from the NeKSAP Google site:
<https://sites.google.com/site/nefoodsec/home/food-security-phase-classification-maps>



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Highly & Severely Food Insecure Populations

Highly and Severely Food Insecure Populations

Across Nepal, the population suffering from acute food insecurity is estimated by WFP to be 3.48* million (15.4 percent of total rural population), out of which the population in the Mid- and the Far-Western Hill and Mountain (MFWHM) districts account for 0.40 million. The percentage of food insecure population in the MFWHM districts has decreased from 18.9 to 15.2 percent compared to the previous quarter (Food Security Bulletin, Issue-31) because of the good harvest of winter crops, employment opportunities provided by development aid and the regular supply of food to the markets.

The table below provides estimated figures of concentrated populations experiencing a high or severe level of food insecurity in the 28 VDCs in Saptari district in the Central Eastern Terai Cluster (as reported by the NeKSAP District Food Security Network). Households are consuming a poor and inadequate diet and are resorting to heavy borrowing of money and selling livestock to buy food, or carrying food and non-food items from India and selling them at local markets through the porous border to generate income.

District/VDCs affected	Highly Food Insecure	Severely Food Insecure	% of total district population
	Phase 3	Phase 4	
Cluster 5. Central and Eastern Terai			
Saptari: Lohajara (1,300), Terhauta (1,100), Pato (1,100), Tarahi (1,000), Bhutahi (9,00), Banauli (1,300), Arnaha (1,200), Banaula (8,00), Kabilasa (1,000), Maina Sahasrabahu (1,200), Inarwa Fulbariya (1,300), Bode Barsain (1,200), Phulkahi (1,000), Manraja (9,00), Rautahat (7,00), Kachan (1,000), Deuri (1,000), Mauwaha (1,000), Belhi (1,000), Ramnagar (5,00), Malhaniya (1,800), Siswa Belhi (1,500), Dhangadhi (1,200), Negada (1,100), Saraswar (1,200), Khadagpur (1,100), Tikuliya (.800), Paterwa (1,000)	30,200	0	4.3%
TOTAL THIS QTR. ACROSS NEPAL	30,200	0	
TOTAL LAST YEAR THIS QTR. ACROSS NEPAL	442,000	0	
DIFFERENCE:	-93.2%	0	
TOTAL THIS QTR. (Mid & Far-Western Hill & Mountain Region only)	0	0	
TOTAL LAST QTR. (Mid & Far-Western Hill & Mountain Region only)	117,700	0	
TOTAL LAST YEAR THIS QTR. (Mid & Far-Western Hill & Mountain Region only)	409,200	0	
DIFFERENCE:			
COMPARED TO LAST QTR.	-100%	0	
COMPARED TO LAST YEAR THIS QTR.	-100%	0	

Food security classification:

- Phase 1. Food Secure – household has secure access to food.
- Phase 2. Moderately Food Insecure – household members have reduced their consumption, calorie and nutrient intake of household members is borderline sufficient. In addition, the household is undertaking coping mechanisms such as borrowing money and selling non productive assets.
- Phase 3. Highly Food Insecure – household members have significantly reduced their consumption, calorie and nutrient intake is highly deficient. In addition the household is undertaking irreversible coping mechanisms such as selling productive assets and taking children out of school.
- Phase 4. Severely Food Insecure – household members have significantly reduced their consumption, calorie and nutrient intake is highly deficient. The household has limited coping mechanisms left and is likely to be selling final assets/ land.
- Phase 5. Humanitarian Emergency - there is no opportunity for the household to gain access to food, leading to starvation if no intervention is made.

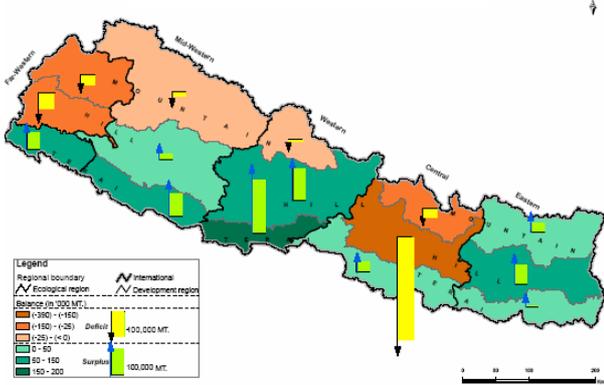
*The food insecure population estimates are based on the 2009 projected population. A detailed description of methodology used by WFP to calculate food insecure population is provided on the NeKSAP google site:

<https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWVpbXNlZWZvb2RzZW58Z3g6M2M2NzA4NmRiM2ZIN2M3MQ>

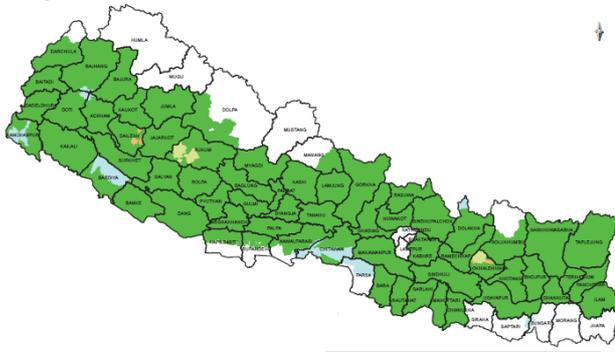


Crop production

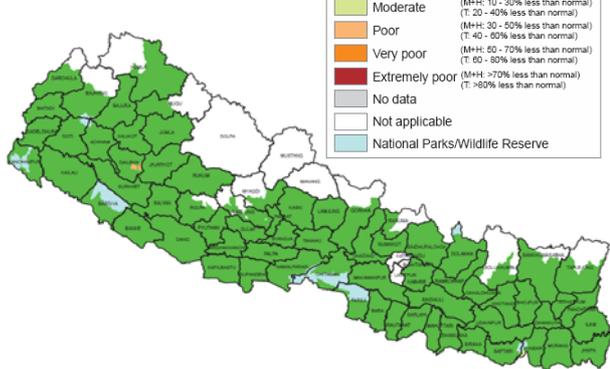
Map 2. Edible Cereal Food Balance at Sub-Regional Level



Map 3. Maize Production Outlook



Map 4. Paddy Production Outlook



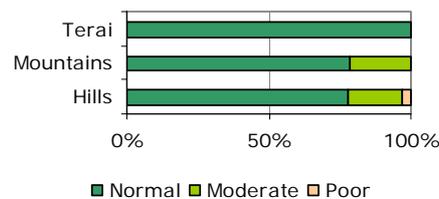
Domestic Situation

- Winter crop production of wheat and barley increased by 12.2 percent and 9.6 percent respectively compared to last year (Joint Winter Crop Assessment, MoAC/WFP/FAO, June 2011). Wheat production set a national record of 1.75 million MT. The overall cereal output in 2010/11 went up by 10.9 percent to 8.62 million MT compared to 7.76 million MT in 2009/10. The increased production was attributed to the adequate rainfall and agricultural inputs support by the government and non-government organizations. The national edible cereal balance of 2010/11 is estimated to be a surplus of 110 thousand MT compared to the deficit of 330 thousand MT last year. At sub-regional level, deficits are observed in Far Western Hill and Mountain (FWHM), Karnali, Western Mountain and Central Hill and Mountain districts (Map 2). The largest deficit is found in the Central Hill districts where the urban population is high.
- Maize and paddy, the main summer crops in Nepal, are growing well across the country: pre-monsoon rain in April-May helped in cultivation and germination of maize crop; farmers were able to prepare paddy seedbed on time thanks to favorable weather conditions; most parts of the country received normal to above normal rainfall in April-May (Department of Hydrology and Meteorology).
- Parts of Okhaldhunga, Dailekh and Rukum districts are likely to face very poor (50-70 percent reduction) or poor (30-50 percent reduction) maize production: in Okhaldhunga, it is expected to decrease by 30-50 percent in Bigutar, Ragadeep, and Yasam VDCs and by 10-30 percent in 10 VDCs in the northern part of the district due to a heavy hailstorm in May; in Dailekh maize loss is estimated at 30 percent in Dwari (Odari), Bindyabasini, Badabhairab, Pagnath and Meheltoli VDCs due to landslides, floods and cut-worm disease; in Rukum around a 25 percent loss is estimated in 13 VDCs in the south-western part of the district due to disease infestation of grainy fish spot (Regional Agriculture Research Center, Nepalgunj). The northern part of Jajarkot is reportedly affected by the cut-worm disease and the extent of the damage is yet to be assessed. Paddy loss up to 40 percent is expected in Bindyabasini, Pagnath and Mehaltoli VDCs in Dailekh due to the paddy seedling being destroyed by landslides and floods.

Regional/International Situation

- India's 2011 food grain harvest is forecasted to be 275.6 million MT, up by 5.2 percent compared to 2010. This figure includes the recent harvest of wheat (84.3 million MT), which is more than 4.3 percent higher than that of 2010.
- FAO's latest cereal production forecast for 2011 stands at 2,302 million MT, 2.9 percent higher than in 2010. Although the increase in the 2011/12 world cereal utilization is reduced by 1.2 percent compared to 2 percent in 2010/11, a tight cereal supply and demand balance is anticipated to prevail in 2011/12. International prices are likely to remain high and volatile in 2011/12 ("Crop Prospects and Food Situation", FAO, June 2011).

Figure 2. Household perception of maize production by eco-belt



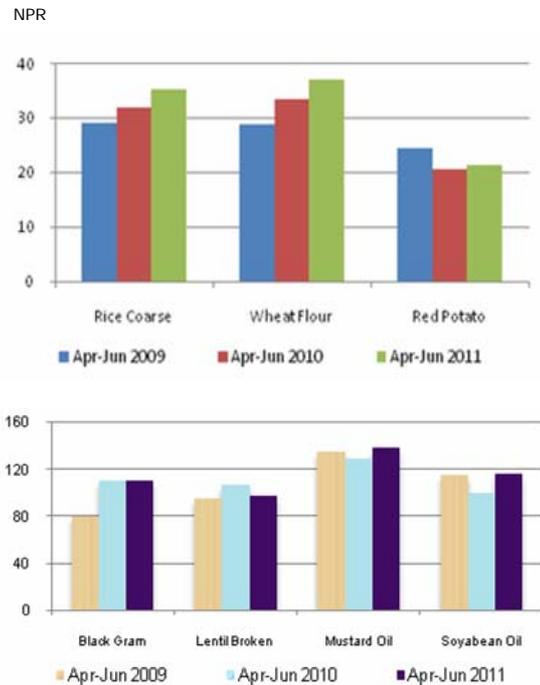
Seasonal Migration

- Migration continued as one of the important livelihood activities with 32 percent of households responding that they have sent their family member(s) away for work. Across Nepal, remittances accounted for 20 percent of household income, the 3rd largest after income from wage labour and crop production. The share is larger in the Hill and Mountain regions where remittances are the 2nd largest share following wage labour.



Markets

Figure 3. Staple Food Prices Mar 2009/10/11



- The Nepal Rastra Bank report in mid-June 2011, reveals year-on-year inflation as measured by the consumer price index (CPI) as an increase of 8.8 percent compared to 8.2 percent in the corresponding period last year, whereas the price index of food and beverage rose by 14.3 percent. The indices of the vegetables and the cereals sub groups increased by 46.6 percent and 10.4 percent respectively.
- Food stocks have relatively increased in most of the hill and mountain districts due to the good winter crop harvest. Despite a number of strikes which obstructed transport during the end of May 2011, the price change of most food commodities remained within the range of seasonal fluctuations.
- Prices of staple foods such as coarse rice and wheat flour have been increasing over the past three years, while the price of other commodities show fluctuations (Figure 3).
- Prices of basic food staples are likely to increase until the next harvest (maize and paddy), which is usually expected in September-November. Recent rise of fuel (diesel and kerosene) price is also likely to impact food prices by increasing them. Any strike in the future, particularly at the end of August (i.e. deadline for new constitution) coupled with the monsoon rain is likely to affect the smooth functioning of markets.
- According to WFP Field Monitors, the Karnali highway has been blocked due to landslides caused by the monsoon rain. This is likely to reduce the food supply and increase the food prices in that region.

Household food security

Figure 4. Food security shock



- Reflecting the overall improvement in the food security situation across Nepal, household food security indicators have shown positive changes compared to the previous quarter as well as to the same time last year: a lower proportion of households reportedly experienced shock and food shortage due to shock (Figure 4); a larger proportion of households consumed an acceptable diet (Figure 5); households that resort to severe coping strategies such as borrowing, depending on less preferred food and spending savings on food have come down by more than 20 percent compared to the corresponding period last year. (Figure 6).
- The situation is expected to continue only for a certain period of time, especially for the households in the Mid and the Far-Western Hill and Mountain districts where they only have production sufficient for about 1.5-2.0 months.

Figure 6. Coping Strategies Comparison

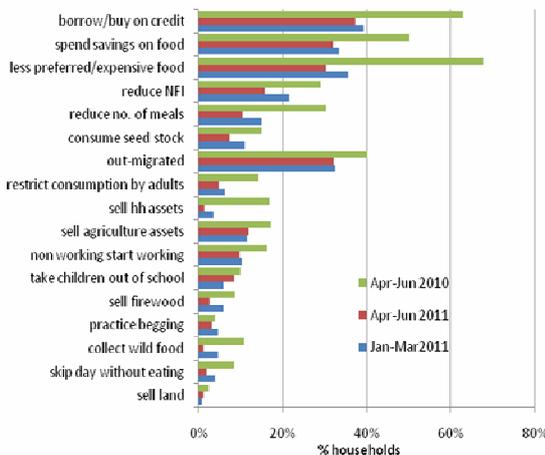
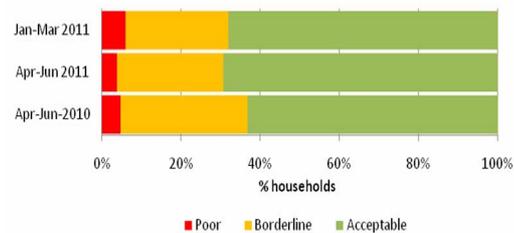


Figure 5. Food Consumption Groups



* A detailed description of methodology used by WFP to calculate food consumption group is provided on the NeKSAP google site: <https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWVpbnxuZWZvb2RzZWw8Z3g6NWVjYWE1M2E0ZjFkNjNjN0>



Food security outlook

- The summer crops maize and paddy are growing well across the country and the production outlook is positive. Maize will be harvested from July onwards in the Eastern Hill and Mountain districts, which will contribute to improving the food security situation. In most areas in the Far-Western Hill and Mountain as well as Karnali districts, maize and paddy will be harvested at the end of September and the end of October respectively. Hence it is anticipated that the situation is likely to deteriorate, especially in the areas where alternative income opportunities and market access are limited.
- A traditional seasonal out-migration will commence in the Mid and the Far Western Hill and Mountain (MFWHM) districts after the summer crops' plantation. The migrants will be back at the end of September, just before the religious festival of *Dashain*, with hand carried remittances.
- *The yarchagumba* collection season has ended in the mountain areas. Income from *Yarchagumba* sales is significant for households in Darchula, Bajhang, Dolpa, Mugu, Jumla, Rukum, Jajarkot, Manang and Gorkha districts. Households are expected to benefit from the sales in August-September, depending on the market price during this period.
- Bandhs and strikes might take place from the end of August onwards if the political parties do not come to a consensus paving the way forward for the constitution drafting process. This will have a negative impact on households' access to food, affecting the supply and functioning of markets.
- Natural disasters, like floods and landslides, might take place in some parts of the country if the amount and intensity of monsoon rains amplify.
- Market disruptions will continue in the Karnali, the mountain districts in the Far-Western region and other remote areas as some roads will be impassable due to the monsoon.
- Food prices are expected to increase until the next harvest (maize and paddy will be ready from September onwards).

Detailed 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 food security bulletins are available for download in English and Nepali from the NeKSAP google group <https://sites.google.com/site/nefoodsec/home>. Reports for the most food insecure districts are provided as an appendix to this report.

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
Sarlahi
Mahottari
Dhanusha
Siraha
Saptari
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
Okhaldunga
Khotang
Dhankuta
Udayapur
Solukhumbu
Bhojpur
Terhathum

This Food Security Bulletin is based on (i) data collected from 1046 households (Hill: 432 households; Mountain: 289 households and Terai: 325 households) during April-June 2011 as a part of the Nepal Food Security Monitoring System (NeKSAP), (ii) NeKSAP District Food Security Network Meetings across 72 districts and other information sources as referenced.



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NeKSAP Capacity Development Project Updates

Joint MoAC/WFP project to strengthen the Nepal Food Security Monitoring System (NeKSAP)

The Ministry of Agriculture and Cooperatives (MoAC) and World Food Programme (WFP) signed an amendment to the Memorandum of Understanding (MoU) on the “Strengthening of the Nepal Food Security Monitoring and Analysis System” project, extending the project timeframe until the end of October 2011. The MoAC and WFP implemented this project with funding from the European Union Food Facility (EUFF) from 29 November 2010 - 30 April 2011. WFP has submitted a proposal for the 2nd phase of the project, which is currently under review by the EU.

On 2 June 2011 WFP handed over a set of IT equipment to the MoAC as part of the project support. The equipment is worth USD 116,800 (NPR 8,325,700) and it includes computers, UPSs, servers, cameras, four-in-one printer-photocopy-fax-scanners and cartridges. Different sets of IT equipment have been provided to the five Agriculture Regional Directorates and to 72 District Agriculture Development Offices (DADOs). On the occasion of the equipment hand-over, the MoAC Secretary, Mr. Nathu Prasad Chaudhary, expressed his view, “This technical assistance will in real sense strengthen the field work of the food security monitoring and analysis. This is really a good sign for the MoAC/EU/WFP collaboration to work in the area of food security monitoring and analysis with due commitments. I would like to thank EU and WFP for your support to the government of Nepal.”



IT equipment being loaded on the transportation vehicle for distribution and hand-over.



In the presence of the EU Delegation Food Facility Programme Manager Marion Michaud, WFP Deputy Country Director Nicolas Oberlin making the ceremonial hand-over of IT equipment to the MoAC Secretary, Mr. Nathu Prasad Chaudhary.



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