



Nepal Food Security Bulletin

Issue 34, February 2012



Situation Summary

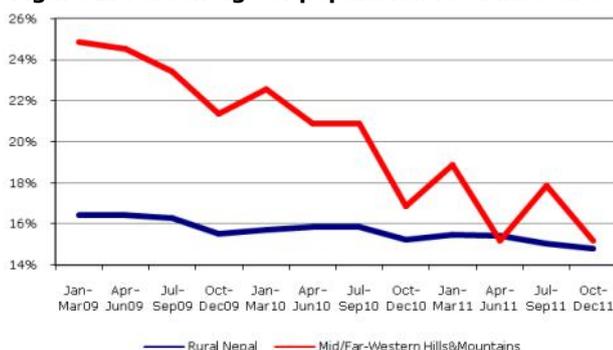
This issue mostly covers the period of October-December 2011, the harvesting season of the main summer crops of paddy, maize and millet. The overall food security situation is reportedly good across the country, considered to be one of the best seasons since mid-2006 when the IPC-based Food Security Phase Classification was first introduced. This seasonal improvement is mainly attributed to the record high production of winter and summer crops in 2010/11, incomes from cash crops, remittance, selling of livestock products and wage employment opportunities created by the government and non-government organizations, including PAF, WFP, FINNIDA-RVWRMP, RRRSDP, DRILP, and RAP.

A joint crop assessment mission, consisting of the Ministry of Agriculture and Cooperatives (MoAC), World Food Programme (WFP) and Food and Agriculture Organization (FAO), confirmed that the overall outputs of 2011/12 summer crops have increased by 10.8 percent to 7.58 million MT compared to the 6.84 million MT of last year. Paddy and maize production went up by 13.7 percent and 5.4 percent, setting a record high production of 5.07 million MT and 2.18 million MT respectively. This bumper harvest is mainly attributed to timely and adequate rainfalls from the plantation to the growing period; increase in the use of improved seeds; timely availability of fertilizers; less damage of crops by floods and other natural hazards ("Crop Situation Update", MoAC/WFP/FAO, January 2012).

NeKSAP District Food Security Networks (DFSNs) in 72 districts (except Kathmandu valley) have reported a generally food secure situation. Out of the total of 3,846 VDCs/Municipalities across the 72 districts, 37 VDCs (0.96 percent) in Baitadi, Mugu, Jajarkot, Dailekh, and Sunsari districts are classified as "moderately food insecure" (Phase-2) and the rests are "food secure" (Phase-1). The DFSNs in Karnali and the Far Western Hills and Mountain districts have reported a stable food security situation despite summer crop losses in pocket areas due to localized natural disasters: the affected population has had access to food from markets, owing to availability of wage employment opportunities, remittances, sales of cash crops, NTFPs, and livestock products. Market food supply situation has been reportedly stable across the country. WFP Food for Work backlog payment, as well as the subsidized food from Nepal Food Corporation have also contributed to the seasonal improvement.

Winter crops of wheat and barley are growing well due to adequate and timely rain/snowfall. Hence a normal production can be expected, if no major natural disaster occurs in February-March.

Figure 1. Percentage of population food insecure*



Food Security Overview

Food Security Cluster	Current	Change over	Next 3 month	Next 6 month
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	3.33 mln	→	→	→

Good harvesting of summer crop, income from the sale of NTFP (Yarchagumba, Katuki, Bhutle, red-mushroom), cash crops (cardamom, ginger, fruits), wage employment opportunities created by development programmes have contributed to the seasonal improvement of the food security situation across the country.

The situation is likely to deteriorate in most of the Karnali and Far-Western Hill and Mountain districts over the next quarter as food stock at households and markets will be depleting while no immediate harvest is coming in and market supply might be disrupted due to snowfall.

The food security situation in the rest of the country will remain stable. Winter crop is growing well and the production is expected to be good provided that the current trend continues.

Classification key See page 3 for more detailed classification explanation

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



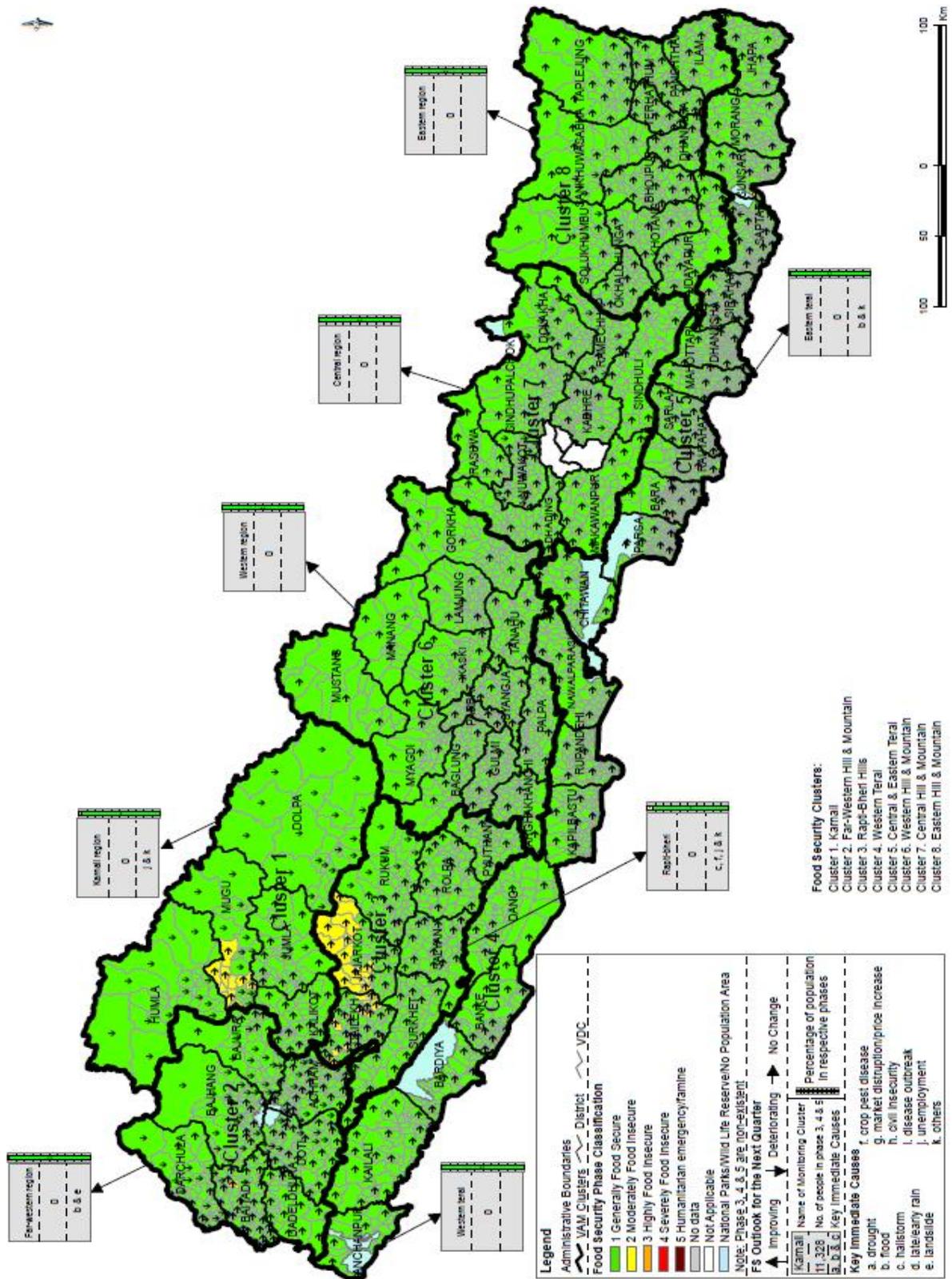
Nepal Food Security Bulletin – Issue 34

Food Security Phase Map

Nepal Food Security Map

October-December, 2011

Map 1.



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>





Highly and Severely Food Insecure Populations

Across Nepal, the population suffering from acute food insecurity is estimated by WFP to be 3.33 million* (14.8 percent of the total rural population of the country), out of which around 0.41 million are found in the Mid- and Far-Western Hill and Mountain (MFWHM) districts. The percentage of food insecure population in MFWHM districts has decreased by 2.7 percent, from about 17.9 to 15.2 percent compared to the previous quarter. This seasonal improvement is mainly attributed to the good harvesting of summer crops; wage employment opportunities created by the government and other organizations (PAF, WFP, FINNIDA-RVWRMP, RRRSDP, DRILP, and RAP); remittances; sales of cash crops, NTFPs, and livestock products; and food supply by the Nepal Food Corporation. There were no VDCs classified as highly or severely food insecure (Phase-3 and Phase-4) during this cycle.

Cash Crops and NTFP (Non-Timber Forest Products)

Cash crops and NTFPs play significant role in achieving food security in different parts of the country: cash crops like vegetables, ginger, cardamom, livestock product, and oranges are more prominent income sources in eastern, central, western, and mid-western (Rapti-Bheri) belts, whereas livestock products and NTFPs are the main income sources in Karnali and Far-Western Hill Mountain districts.

Cash Crops and Livestock Products

Reports from the NeKSAP District Food Security Networks (DFSNs) in the MFWHM indicate that about 50 percent of households earned NPRs 10,000 to 35,000 per household over the past quarter from the sale of citrus fruits, ginger, livestock (including milk products), honey, and vegetables.

Salyan district alone earned NPRs 92,408,000 from the sale of ginger. Likewise households in Palpa received NPRs 7,000 to 15,500 per household by selling vegetables, ginger, orange, and honey.

Citrus product, particularly orange (including the sweet orange), has played significant role for the people's livelihoods in Dhading, Chitwan, Gorkha, Sindhuli, and Ramechhap districts. According to the DFSNs' reports, Dhading produced about 9,500 MT of orange, while Chitwan (especially Darechowk and Chandibhanyang VDCs) produced some 1,800 MT of orange. Farmers in Sindhuli earned about 266.90 million NPRs from the sale of sweet orange and orange, which represents an increase of 25 percent compared to last year.

Likewise Ramechhap produced sweet orange worth of 150 million NPRs overall. More than 50 percent of households in Myagdi, Parbat, Baglung earned NPRs 10,000 to 100,000 per household by selling orange and vegetables.

Farmers in the eastern hill and mountain districts are more experienced with commercial business of cash crops. They produce and sell cash crops like tea and cardamom in large scale, in addition to other cash crops (vegetables, citrus, and livestock/ milk products). NeKSAP DFSNs in Panchthar, Taplejung, and Sankhuwasabha reported that these districts produced cardamom in average of 140, 290, and 300 MT respectively, which benefited to about 60 percent of the households in the area. Likewise more than 50 percent of households in entire eastern hill and mountain districts generated income of NPRs 8,000 to 50,000 per household from the sale of citrus fruits, vegetables, legumes, as well as Lokta, Allo, and broom grasses.



Non Timber Forest Product (NTFPs):

Households in the north-eastern Bajura (Bichhiya, Rugin, Bandhu, Wai, Jukot, Sappata, Jagannath, Gotri VDCs) reportedly earned an average of NPRs 7,500 per household from the sale of red mushroom.

In Humla most of the households were engaged in collecting and selling of different kinds of NTFPs (Katuki, Bhulte, Attis), earning an average income of NPRs 6,700 to 13,500. NeKSAP DFSN Humla reported that NTFPs played significant role in improving seasonal food security situation in the district.

Income from the sale of *Yarchagumba* supported for 4 to 5 months of food security for 4,300 households in 17 VDCs in central Darchula (see Food Security Bulletin Issue 33 for details). Households had used the income for purchasing food and repayment of loan.



*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=ZGvmYXVsdGRvbWVpbnxuzWZvb2RzZWw8Z3g6M2M2NzA4NmRiM2ZlN2M3MQ>



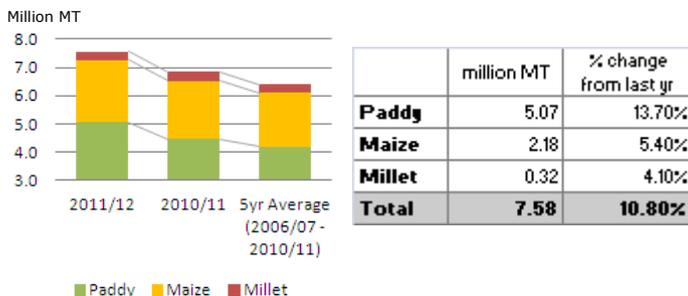
Nepal Food Security Bulletin – Issue 34

Key Food Security Factors

Crop Production

Domestic Situation

Summer Crop Production (2011/12)



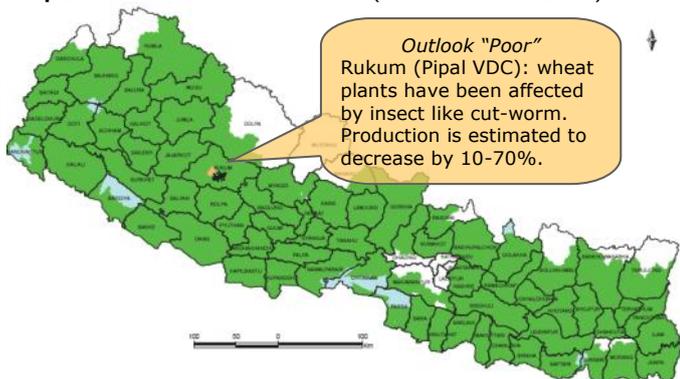
A record-high production with total output of 7.58 million MT, owing to adequate monsoon rain during the plantation and growing stage of the crops, as well as the increased use of fertilizers and improved seeds ("Crop Situation Update", January 2012, MoAC/WFP/FAO).

Localized natural disasters like excessive rainfall, flood/landslide, hailstorm, and insect/pest diseases damaged summer crops in pocket areas: **paddy** loss in Jumla (27% loss compared to expected normal production), Rukum (15%), Jajarkot (13%), Kalikot (23%), Gorkha (25%), and Tanahu (26%). Fourteen VDCs in the central and southern belts of Kaski lost 4,200 MT of paddy due to hailstorm at pre-harvesting stage; **millet** loss in Mugu (40%, together with local crops, foxtail millet and *Chino*), Jajarkot (18%), Jumla (15%), Parbat (10%), Bajhang (10%), and Rukum (7%).

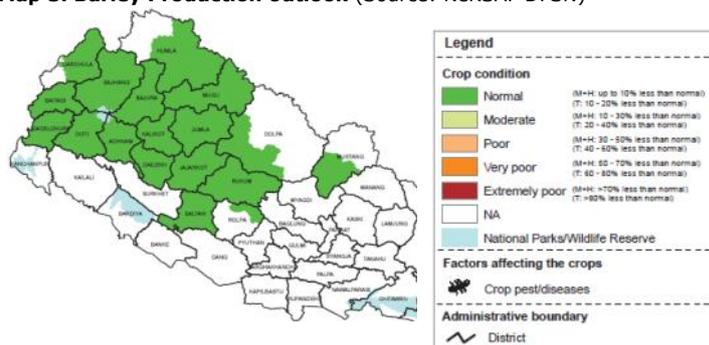
Winter Crop (2011/12) Outlook

Wheat and barley, the main winter crops, are growing well and the production outlook is good across the country (Map-2&3). Timely and adequate rain/snowfall (Map-4), and the rainfall/snowfall occurred in January and February are among the major contributing factors.

Map 2. Wheat Production outlook (Source: NeKSAP DFSN)



Map 3. Barley Production outlook (Source: NeKSAP DFSN)



Map 4: Rainfall, October-December 2011

(Source: NeKSAP DFSN)

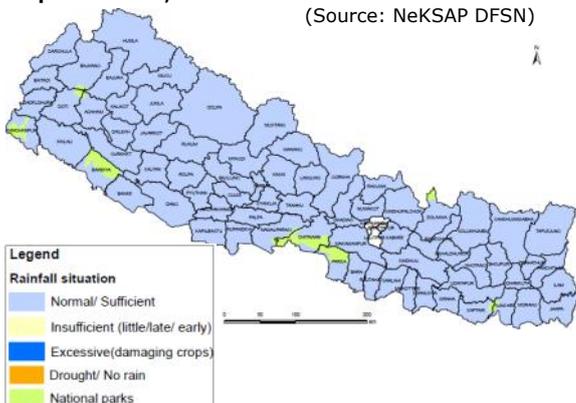
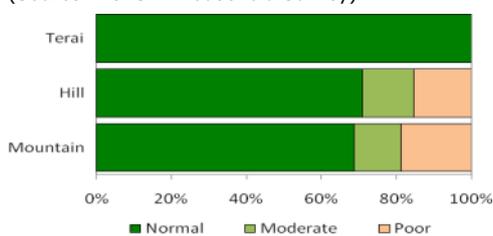


Figure 2. Wheat Production Outlook, Household Perception by Eco-Belt
(Source :NeKSAP Household Survey)



NeKSAP Household Survey conducted across the country has affirmed the positive outlook reported by the DFSNs (Figure-2).

Regional/International Situation

Harvesting of the 2011 main wet season rice and coarse grains is completed. FAO's latest forecast suggests 154.5 million MT of rice (paddy) production in India, up by 8.04 % compared to last year. Likewise India's total cereal output has increased by 6.1 percent to 281.9 million MT in 2011.

FAO estimates rice output in Asia to grow by 3 percent to 435 million MT in 2011 despite localized floods in several countries. The output in Pakistan is expected to recover from the 2010 disastrous floods. Likewise production gains are anticipated in Bangladesh, China, and Viet Nam.

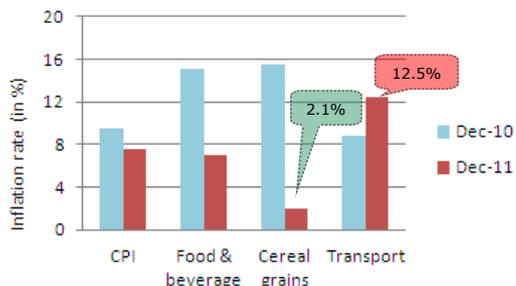


Nepal Food Security Bulletin – Issue 34

Key Food Security Factors

Markets

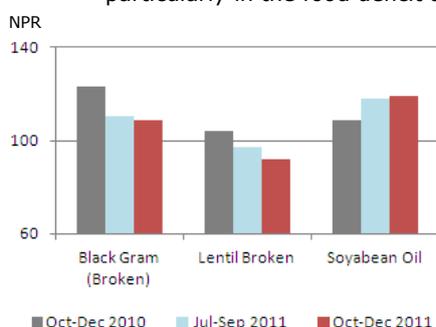
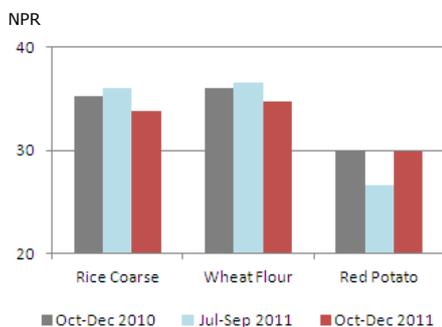
Figure 3. Inflation Trend (Source: Nepal Rastra Bank)



The year-on-year inflation as measured by CPI shows a declining trend, including the index of food and beverage compared to the corresponding month of last year. Inflation has been moderated overall, with an exception of transport that went up by 12.5% compared to the same time last year.

As a result of good harvest and relatively smooth operation of transportation services across the country, prices of most commodities such as rice coarse, wheat flour, black gram and broken lentil have slightly declined during the period of October to December 2011 compared to the same period last year. Supply situation is reportedly normal across the country.

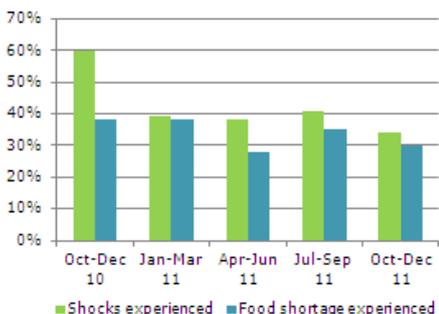
Figure 4. Staple Food Price Trend



Food prices are likely to increase in the next cycle due to rising fuel prices, particularly in the food deficit areas of the hill and mountain districts.

Household food security

Figure 5. Food security shock



Reflecting the stable food security situation overall, less number of households experienced shock during the reporting period, compared to the previous quarter and the same period last year (Figure-5). Among others, food price increase was the most frequently cited shock factors: out of those households who experienced shock (34 percent of the total), almost half of them cited as the major shock.

Those households that experienced shock mostly employ traditional coping strategies and no alarming situation is observed (Figure-6).

Seventy-eight percent of the interviewed households reportedly consume acceptable diet, showing a slight improvement compared to the past (Figure-7).

Figure 6. Coping Strategies Comparison

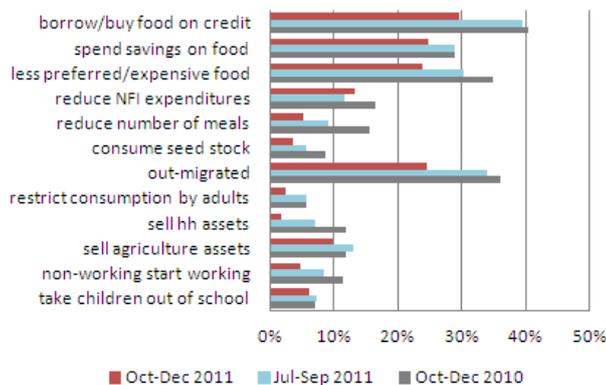
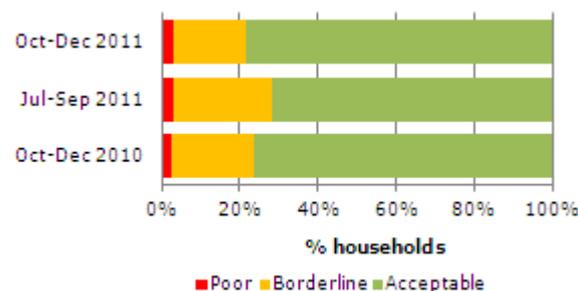


Figure 7. Food Consumption Groups*



* 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=ZGVmYXVsdGRvbWFpbnuZVZvb2RzZWw8Z3g6NWJfYWE1M2E0ZjFkNjNINQ>



Food security outlook

The winter crops wheat and barley are growing well due to timely and adequate rain/snowfall across the country. Production is expected to be normal or good provided that no major natural disasters occur. The crops will be harvested during April-June, except in some mountain districts where the harvesting takes place in July. In all the upper Dolpa and upper Humla VDCs, wheat and barley are planted in April and harvested in November.

Food security situation in the Mid- and Far-Western Hill and Mountains (MFWHM) districts is likely to deteriorate to a moderate level over the next cycle. This is because household food stock will be depleted as there will be no immediate in-coming harvest, and income generating opportunities from the agriculture sector and NTFP will be limited. Karnali districts bordering with *Tibet* will not have access to market in *Tibet* due to snowfall in high altitude trails along the border areas.

Food prices are likely to increase during the next cycle due to the rise in fuel prices. This will impact the food security situation across the country, especially in the remote areas of the MFWHM districts. Market prices and food supply situation should be monitored closely.

Seasonal out-migration will continue until in-migration starts in March/April to catch up with the winter crop harvest and summer crop farming.

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 will be made available for download in English* and Nepali from the NeKSAP googlesite <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
Sarlaha
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 941 households (Hill:381 households; Mountain:247 households and Terai:313 households) during Oct-December 2011 as a part of the Nepal Food Security Monitoring System (NeKSAP), (ii) NeKSAP District Food Security Network Meetings across 72 districts, and (iii) other information sources as referenced.





Nepal Food Security Bulletin – Issue 34

NeKSAP Updates

Household Survey Re-design

The household survey for the year 2012 has undergone major changes, both in the survey questionnaire and methodology. A technical consultation workshop was organized on 19th January 2012 where participants from the government (CBS, NPC, MoAC, MoLD) and non government sector (EU, UNICEF, HKI, ICIMOD, ISET-N, RIDA, Save The Children Alliance) were invited to discuss the questionnaire used for the survey.

The changes recommended by the participants have been incorporated in the current version of the questionnaire. In addition, the current household survey design has been replaced by a rotating sample design which will improve the estimates of levels as well as changes between quarters and years. The presentation and other relevant documents used in the workshop can be downloaded from the website: <http://sites.google.com/site/nefoodsec/home/trainings-workshops-and-events>. A design document is under preparation and shall be uploaded upon finalization.

Food Security Analysis Technical Workshop

A technical workshop on food security analyses using NLSS III survey data was organized on 30th November 2011 by WFP in collaboration with UNICEF. Technical staff from the Central Bureau of Statistics (CBS), Ministry of Agriculture and Cooperatives (MoAC) participated in the workshop. The main objective was to provide a brief orientation on food security concepts, understand how food security and nutrition indicators are calculated using the NLSS survey and to discuss as well as to validate key findings of the "Thematic Report on Food Security and Nutrition". The workshop was led by Astrid Mathiassen, Food Security Researcher, from the WFP Headquarter in Rome.

Project on Climate Change Indicators

WFP and the Institute for Social and Environmental Transition-Nepal (ISET-N) signed a Memorandum of Understanding (MoU) for a 10-month long project on "Strengthening the Nepal Food Security Monitoring System (NeKSAP) for Informed Climate Change Planning and Policies". This project is aimed at enhancing the collaboration between WFP and ISET-N to bring about synergies for mainstreaming the climate change indicators within NeKSAP, and bridge the climate change indicator gaps and data collection. The analytical output is expected to meet the following purposes:

- Improve the understanding of risk and vulnerability with a view to provide early warnings to locations and groups "at risk";
- Inform policy-makers regarding adaptation planning and identify priorities for building resilience;
- Establish a basis for monitoring the progress; and
- Use the progress marker to direct investments in building adaptive capacity and resilience, including international aid.



Mr. Ajaya Dixit, Executive Director, ISET-N, and Mr. Nicoals Oberlin, Deputy Country Director, WFP signing the MoU (Left to Right)

A Journey from a Shepherd to Shopkeeper

My name is Keshav Budha, 28 from Majhphal VDC-9, Dolpa. I am married, and living by spouse and three children—two daughters and a son. I never had an opportunity to attend school, even though the school was located nearby the village. Desperate poverty barred me from acquiring formal education. However, I had a chance to attend non-formal education free-of-cost in my village, I learnt how to read and write.

Since my parents were poor, and sustaining livelihood was very difficult, I offered myself as a shepherd for sheep owner at my early childhood. I had to look after and graze herd of sheep for a little money, which was not sufficient to feed my family. In the midst of such a misery, I started collecting and selling *Yarchagumba*, I recall it was 1996 summer, when I first went to the top plains of high mountain areas for collection. That very year, I earned around NPR 30,000 from the sale and spent the amount for my family's basic needs—food and clothing. My income level remained NPR 30,000 to 40,000 a year till 2009 (in past 13 years). I used to sell the collection to local traders then.

Last year, I purchased *Yarchagumba* from my relatives and neighbors at the rate of NPR 500,000 to 600,000Rs per kilogram, which I sold at NPR 700,000 to 800,000 per kilogram. I made profit of NPR 300,000. This year, I was merely able to collect 250 pieces myself; however, I procured 10 kilograms

from others at the rate of NPR 600,000 to 800,000, which I sold in good price. Out of 10 kilograms, I sold seven kilograms at the rate of NPR 900,000 in DHQ market, and rest three kilograms at the rate of NPR 2,000,000 in Tibetan market. Overall, I made a profit of NPR 900,000.

Now I have started a ready-made wear shop in the district headquarters; purchased seven mules for the transportation of goods. I am selling goods worth of NPR 3,000 to 5,000 daily from my shop. Though I didn't have opportunity to obtain formal education, I have now become able to send my daughter to Kathmandu for better education; she is studying in grade five in a boarding school in Kathmandu. Other two children—son and daughter—are studying in a Boarding School in Dunai, Dolpa.

My life has changed now. *Yarchagumba* made me complete journey from Shepherd to a Shopkeeper.