



Nepal Food Security Bulletin

Year 2014, Issue 42



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-March to mid-July 2014, the third 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 June-July 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.
- **170 VDCs, mostly in the eastern development region, were classified as moderately food insecure**, a situation where households are able to meet minimum food needs with traditional coping strategies, but are unable to afford some essential non-food expenditures without engaging in irreversible coping strategies.
- The food security situation has improved compared to the last period (i.e. mid-November 2013 to mid-March 2014) when 184 VDCs, mostly in the mid- and far-western development regions, were classified as moderately food insecure.
- **Sale of agricultural products (including livestock), daily wages, and remittances were major income sources** that contributed to improved household food security with their share in household income at 26, 26 and 19 percent respectively.
- Winter crops were harvested in many parts of the country in this period; however, in many hill and mountain areas, winter crops play a marginal role in household food stocks. **The average household cereal stock was measured at 239 kg, which provides roughly 3.7 months of staple food sufficiency for an average household.**
- According to the NeKSAP household survey, **85.4 percent of households had adequate food consumption.** Since the last period, overall, household food consumption and dietary diversity have improved.
- No major disasters or shocks were reported in this period.
- According to Nepal Rastra Bank, **the year-on-year Consumer Price Index (CPI) was 8.1 percent in July 2014** compared to 7.8 percent in the corresponding period last year. The vegetable sub-group showed the highest increase (21.2 percent).

CURRENT FOOD SECURITY SITUATION AND OUTLOOK

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

The food security situation has improved in this period, with significant improvements in the mid- and far-western development regions.

District Food Security Networks (DFSN) classified 170 VDCs as moderately food insecure (Phase 2), mostly in the eastern development region.

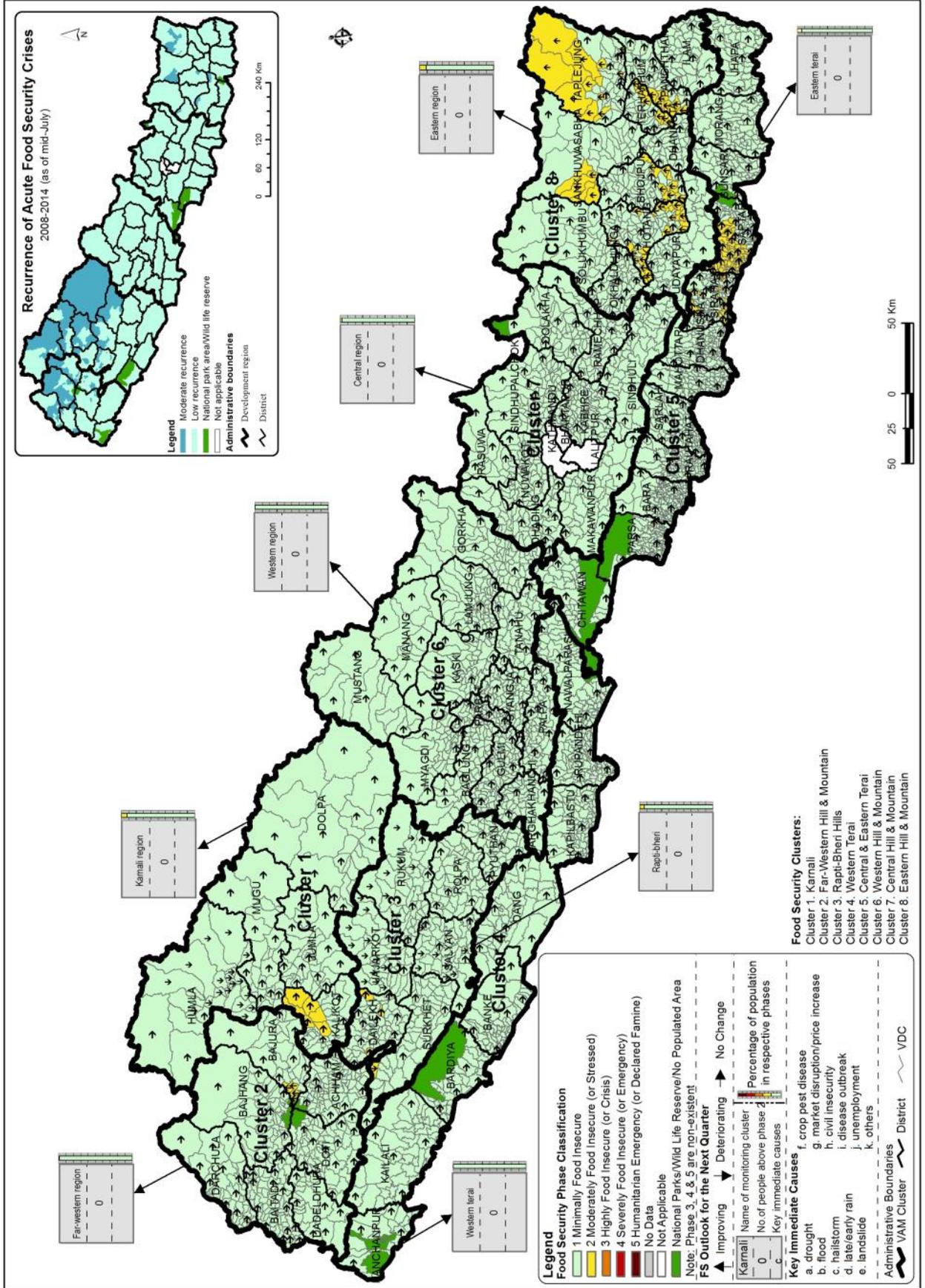
DFSNs classified the rest of the country as minimally food insecure (Phase 1). This can be attributed to the remaining food stocks of summer crops and recent winter crop harvests, income from seasonal and off-season agricultural products and Non Timber Forest Products (NTFPs) like *Yarchagumba*. Daily wages and remittances also contributed to household incomes and food security.

For the next four-month period (mid-July to mid-November 2014), DFSNs have forecasted that 143 VDCs (58 in Saptari, 31 in Siraha, 18 in Humla, 12 in Jajarkot, 7 in Rukum, 8 in Salyan, 6 in Kalikot and 3 in Dailekh) are expected to be classified as moderately food insecure.

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



Food security maps are available at the NeKSAP website: www.neksap.org.np/food-security-phase-classification-maps



Incidence of food insecurity

In this reporting period District Food Security Networks (DFSNS) classified 170 VDCs, mostly in the eastern development region, as moderately food insecure (Phase 2). These VDCs were located in the following districts: Khotang (23), Bhojpur (12), Sankhuwasbha (5), Tehrathum (7), Taplejung (12), Panchthar (8), Saptari (58), Siraha (31), Bajura (4), Kalikot (6), Dailekh (3) and Surkhet (1). See **Map 1** for the geographic distribution of these areas.

In some VDCs of the eastern Terai, particularly in 58 VDCs of Saptari and 31 VDCs of Siraha, a 25 to 40 percent drop in 2013 paddy production had resulted in lower household food stock levels; with subsequent poor wheat production, these VDCs are now reported as moderately food insecure. In eastern hill and mountain districts (like Khotang, Bhojpur, Tehrathum, Taplejung, Panchthar and Sankhuwasabha) winter crops play a marginal role in the supply of food and hence some VDCs of these districts are reported as moderately food insecure. In Khotang and Bhojpur, inadequate food supply and an increase in food prices were also of concern due to monsoon induced road disruptions. Districts of the mid- and far-western development regions, however, experienced an improvement in the food security situation largely because of the harvest of winter crops (e.g., wheat and barley) and income through agricultural and non-agricultural sources. Some mountain districts of these regions received significant income through *Yarchagumba*.

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 the adequacy of food consumption (as measured by the food consumption score) by round of data collection. In March–July 2014, 14.6 percent of surveyed households consumed inadequate food, which is an improvement compared to November 2013–March 2014, when 19.6 percent of households had inadequate food consumption. Further analysis by ecological belt shows a much larger proportion of households in the Mountains (25.7 percent) had inadequate food consumption compared to the national average (14.6 percent), Hills (15.6 percent) and Terai (11.8 percent).

Figure 2 presents the change in dietary diversity (as measured by the dietary diversity score) by ecological belt and round of data collection. In March–July 2014, the mean number of food groups consumed by households over the past 7 days was 5.2 compared to 4.9 in November 2013–March 2014. During this reporting period dietary diversity did not vary greatly by ecological belt, although the Terai had the highest score (5.3) compared to the Hills (5.1) and Mountains (5.0).

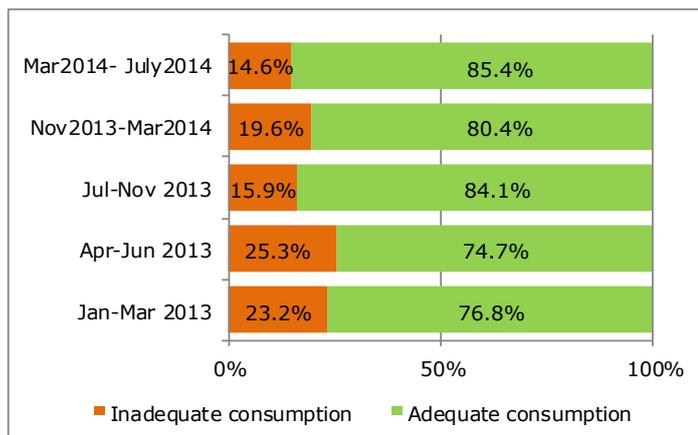


Figure 1: Household food consumption by round of data collection (Source: NeKSAP household survey)

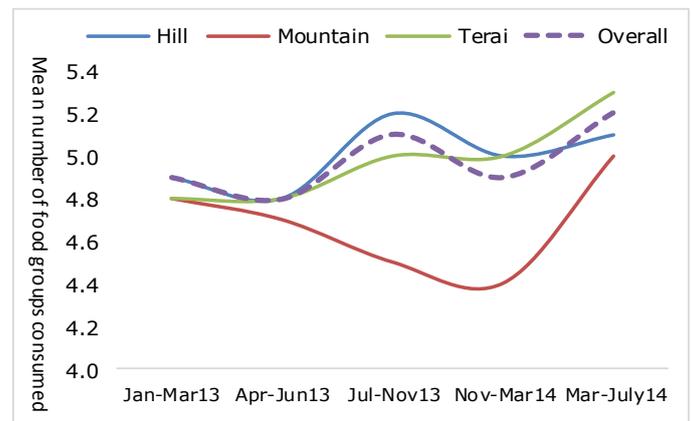


Figure 2: Household dietary diversity score by round of data collection (Source: NeKSAP household survey)

Livelihoods

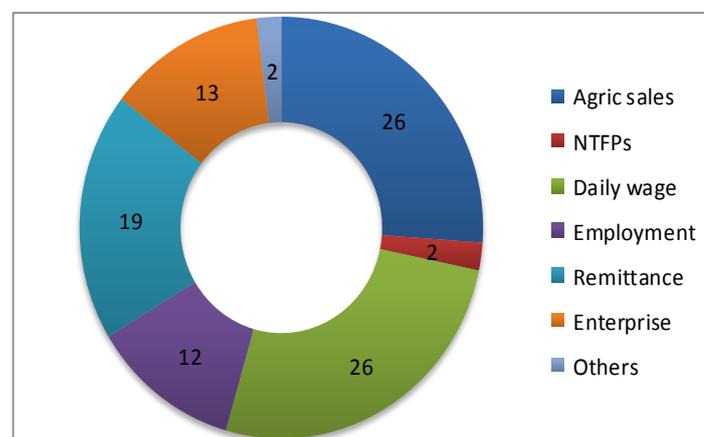


Figure 3: Share of household income by source, March– July 2014 (Source: NeKSAP household survey)

According to DFSNS, during this period, most households across Nepal followed traditional livelihood strategies, with the exception of those in 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, 26, and 19 percent respectively. The NeKSAP household survey also found that, compared to mid-November 2013 to mid-March 2014, the share of agriculture and remittances in household income marginally decreased while that of daily wages increased by 2 percent. Livelihood diversification, which is an indicator of vulnerability and/or resilience, indicates a large proportion of households (81 percent) have a single (40 percent) or two (41 percent) income sources.

Availability: Mid-July is the period when paddy transplantation typically has to be completed for better yields. This year though, by mid-July, only 60 percent of paddy areas were transplanted. The situation was worse in the Terai and some eastern hill districts where paddy transplantation was less than 60 percent of the normal area, i.e. the 10-year average. Districts affected include Saptari, Siraha, Mahottari, Sarlahi, Tehrathum, Ilam, Panchthar, Taplejung, Dhanukuta, Solukhumbu and Banke (see **Map 2**).

According to the Ministry of Agricultural Development (MoAD), the estimated total cereal production (summer and winter) for 2013/14 is 9.56 million mt, of which net cereal availability is 6.08 million mt. With the national cereal requirement of 5.2 million mt, the country has a national cereal surplus of 0.88 million mt.

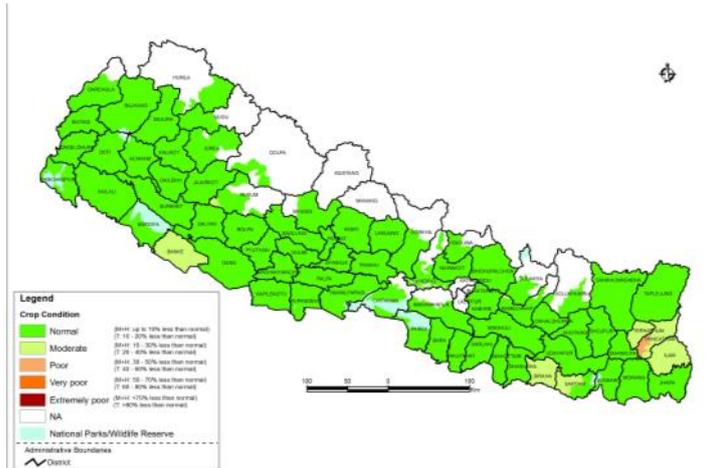
The Nepal Food Corporation (NFC) and development partners provide food assistance (subsidized or in-kind) in different parts of the country, primarily in the remote districts. DFSNs reported that NFC supplied 769 mt for the far-western hills and mountains, 2,508 mt for Karnali, 864 mt for the eastern hills and mountains, and 783 mt for the western hills and mountains in this reporting period.

In many hill and mountain areas winter crops play a limited role in household food stocks. According to the NeKSAP household survey, average household cereal stock was 239.47 kg, which provides 3.7 months of household staple food sufficiency on average.

Household incomes: Nepal Rastra Bank (NRB) reported a remittance inflow of 543.29 billion during the Fiscal Year 2013/14¹. Similarly, remittance inflow during the first eight months of the new fiscal year was reported at 356.72 billion NPR (3.59 billion USD²). Hence, remittance inflow during the last trimester is estimated at 186.57 billion NPR. It is to be noted that these estimates include the remittance inflow through formal channels only and do not account for the remittances through informal channels, e.g., hand-carry remittances, which is common in the mid- and far-western regions. This period coincided with the seasonal in-migration in the mid- and far-western development regions and DFSNs reported a larger amount of hand-carry remittances in those regions.

Income from agriculture and livestock was also high in this period, particularly in the central Terai (NPR 28 billion), eastern Terai (NPR 15 billion), central hill and mountain (NPR 9 billion), eastern hill and mountain (NPR 7.5 billion) and western hill and mountain (NPR 7.1 billion) clusters. Wage labor and income from NTFPs also contributed to household income in this period. This period included the season for *Yarchagumba* collection and DFSNs reported that households in the mountain areas of western, mid- and far-western regions had significant income from *Yarchagumba*. For instance, in Darchula district alone, some 6,350 households earned NPR 537 million. In the Karnali, some 10,765 households from Dolpa, Jumla and Mugu earned an estimated NPR 2 billion and in the western region, some 3,500 households from Mustang, Manang, Myagdi and Gorkha earned NPR 328 million through *Yarchagumba* collection.

Food price and markets: The year-on-year Consumer Price Index (CPI), as shown in **Figure 4**, was 8.1 percent in July 2014 compared to 7.8 percent over the same period last year. The food and beverage index was 11.1 percent compared to 8.4 percent over the same period last year. The vegetable sub-group had the highest increase at 21.2 percent in July 2014 compared to negative 3.4 percent in the corresponding period last year. **Figure 5** compares the retail price of major staples and potato in April-July 2014 with December-March 2013/14 and the corresponding period last year. Compared to April-July 2013, the price of coarse rice, wheat flour and red potato increased by 3.9, 9.6 and 24.6 percent respectively.



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

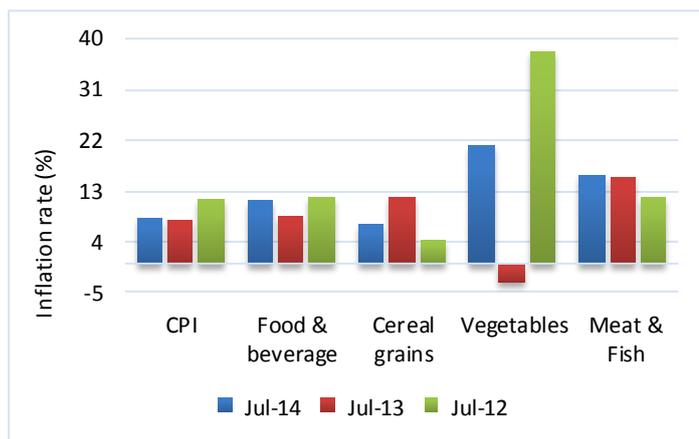


Figure 4: Year-on-year inflation rate (Source: Nepal Rastra Bank)

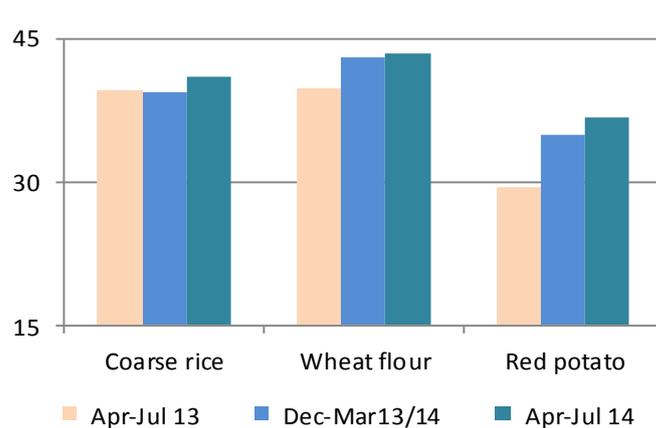


Figure 5: Retail price of major staples and potato (Source: MoAD)

Food purchasing power: **Table 1** presents the average daily rate of unskilled wage laborers and the average price of coarse rice by ecological belt from April-July 2014. These variables are used to calculate terms of trade, an indicator of household purchasing power. Despite higher wage rates, laborers in the mountains have poorer purchasing power compared to those in the hills and Terai. Consumers in the mountains, on average, pay 30.7 percent more than in the hills and 46.1 percent more than in the Terai for coarse rice. On average, a day's wage in the mountains, hills and Terai can purchase 7.5 kg, 9.0 kg and 8.8 kg of coarse rice respectively.

Table 1: Wage to cereal terms of trade, April-July 2014

Ecological belt	District wage rate (NPR/day)	Price of coarse rice (NPR/kg)	Terms of Trade (ToT)
Mountains	410	54.8	7.5
Hills	379	41.9	9.0
Terai	329	37.5	8.8
Average	372	44.7	8.3



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

² 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 6.7 percent of surveyed children under five years of age (n=271) reporting diarrhea. Furthermore, 3.9 percent of children under five (n=299) 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 September 2014, 15 districts and 1,689 VDCs and municipalities have been declared ODF³. As shown in **Figure 6**, the western hill and mountain (WHM) cluster and the Rapti-Bheri cluster have the largest proportion of ODF VDCs, with almost 80 percent of VDCs being ODF in the WHM cluster. According to the DFSNs, the number of ODF VDCs was 1,682 (44 percent of all VDCs in Nepal; an increment of 9 percent over the last reporting period) at the end of March.

Stability: The monsoon normally enters Nepal on 10 June. However, this year the monsoon was delayed by 10 days and was weak at the beginning, which affected paddy transplantation in many parts of the country. **Map 3** shows the level of rainfall across the country, as reported by the DFSNs. As shown in the map, many districts of the eastern, western and mid-western regions received insufficient rainfall. Rainfall was reported even poorer in the eastern Terai districts of Siraha and Saptari.

Despite some local climatic hazards and other events, e.g., landslides, fires, and floods, there were no major disasters or shocks affecting the food security situation in this period. The NeKSAP household survey also confirms the low level of shocks in this period: 12 percent of the surveyed households experienced a shock; of these, 50 percent reported human disease/illness as the major source.

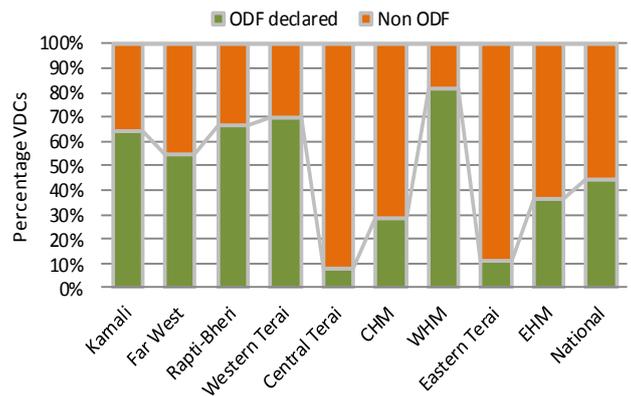
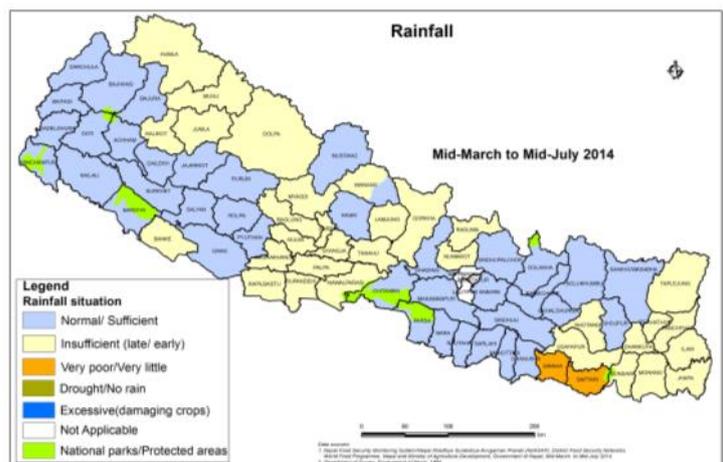


Fig 6: Percentage of ODF VDCs by cluster, March 2014 (Source: DFSNs)



Map 3: Rainfall situation (Source: DFSNs)

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

In the next period, standing crops like maize will be completely harvested and paddy will be partly harvested in the Terai. July to September is also the monsoon period in Nepal. With the late start of the monsoon this year and excessive rainfall towards the end of the monsoon period in some parts of country, summer crop production (especially paddy) is expected to decrease. In addition, monsoon rainfall is also expected to disrupt transportation in remote hill and mountain areas thereby creating supply offsets and pushing up commodity prices. The cumulative effect of these factors will likely impact 143 VDCs, which are projected to be food insecure (Phase 2 or higher) during the period of mid-July to mid-November 2014.

Eastern Hill and Mountain cluster: This cluster is expected to have an overall improvement in the food security situation compared to the last period with all VDCs expected to be minimally food insecure. Key reasons for the improvement include household food stocks from early harvest of paddy and maize and market purchases, food supplies through the Nepal Food Corporation, incomes from NTFPs, seasonal vegetables, wage labour and remittances, and improved road access from October onwards.

Eastern Terai cluster: This cluster is expected to observe a similar food security situation. 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. In these VDCs, household food stocks that had been significantly reduced because of poor paddy production last year will only be replenished after harvesting summer crops in late November since the share of wheat in household food supplies is marginal. Hence, these VDCs will continue to be moderately food insecure in the next trimester as well.

Karnali cluster: In the Karnali, the food security situation is expected to remain similar. With the harvest of summer crops (maize, millet and paddy), supplies maintained through markets and Nepal Food Corporation, income from agricultural products (e.g., apple, walnut, seasonal vegetables, and livestock) and employment through development programmes (e.g., RCIW, AFS, LAPA, RAP-3) households are expected to have better availability of and access to food. The Karnali highway is also expected to remain functional. Nevertheless, 18 VDCs of Humla and 6 VDCs of Kalikot are expected to be classified as moderately food insecure in the next period.

Rapti-Bheri cluster: The food security situation is expected to deteriorate in this cluster and 12 VDCs of Jajarkot, 7 VDCs of Rukum, 8 VDCs of Salyan and 3 VDCs of Dailekh are expected to be moderately food insecure. In these VDCs, households food stocks maintained through winter crops are declining and summer crop harvesting will begin only towards the end of the period. Moreover, remoteness and transportation problems are also expected to inhibit market access. In *Chhapre* VDC of Surkhet, which is currently in Phase 2, the situation is expected to further deteriorate.

The rest of the country is expected to be minimally food insecure (Phase 1). Though monsoon-induced road blockades and localized disasters are expected, their impact on overall food security will be minimal and transient unless there is a major disaster, such as a large-scale flood. It is to be noted that August-September is a typical agricultural lean season in many parts of the country and a deterioration in the food security situation can be expected. However, with the onset of the harvest of summer crops from October onwards, the food security situation will improve.

³ <http://www.wash-rcnn.net.np/nwa/odf-updates.html>



Updates

- **NeKSAP regional debriefing meetings:** MoAD and WFP organized NeKSAP regional debriefing meetings in each of the five development regions from 20-29 September. 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-March to mid-July 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.
- **District food security network meetings:** MoAD and WFP will organize the next round of district food security network (DFSN) meetings in December. DFSNs will be established in 2 new districts: Lalitpur and Bhaktapur.
- **Crop assessment methodology review:** NeKSAP is supporting MoAD to review the process and current practice of crop assessment in order to make the assessment and estimation process and results more systemic, credible, and timely. The objective is to develop the capacity of the MoAD, Department of Agriculture (DoA), and its line agencies at the regional and district levels to strengthen the crop monitoring and assessment process and the associated outputs.
- **Collaboration with CCAFS:** WFP and the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS) began collaboration to strengthen the capacity of NeKSAP and improve crop situation and food security analysis to reduce the impact of climate risks on food security.
- **Collaboration with ICIMOD:** WFP and the International Centre for Integrated Mountain Development (ICIMOD) began collaboration on emerging earth observation technologies and field-based monitoring and assessments in order to provide timely information on agriculture production and drought early warning for NeKSAP.
- **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 district-level planning and decision making process. After initial field testing, a master training of trainers (MTOT) has been planned for November 2014. The MTOT will train and mobilize stakeholders to facilitate district-level trainings throughout December 2014-January 2015.
- **Conference presentation:** WFP and MoAD submitted an abstract "Bridging the Gap: Food Security Response Analysis and Planning Based on the Nepal Food Security Monitoring System (NeKSAP)" for the Nutrition Innovation Lab 3rd Annual Scientific Symposium and presented it in November.
- **NeKSAP mid-term evaluation:** An independent mid-term evaluation of NeKSAP was commissioned by the European Union. The evaluation team undertook consultations and interactions with stakeholders in Kathmandu, Dailekh and Dhading.

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
Okhaldunga
Khotang
Dhankuta
Udayapur
Solukhumbu
Bhojpur
Terhathum

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