

Price Monitoring and Analysis Country Brief

Nepal

September 2011 - February 2012

Key Messages

- Prices of rice and wheat remained stable however, experienced some fluctuation in November and December.
- The overall food security situation is favorable however, due to low cereal production, it remains a concern in certain districts in Mid-Western Mountain and Mid-Western Hill.
- Natural calamities have affected people's food security in recent months; moreover the political situation remains tense.
- The Government has in place several safety net schemes to support vulnerable groups; the international community is also helping to assist people affected by natural disasters.

Background

Nepal's total population is nearly 30 million and its annual growth rate was estimated at 1%. More than half of the population lives with less than 1\$ per day and the prevalence of undernutrition was estimated at 17%.

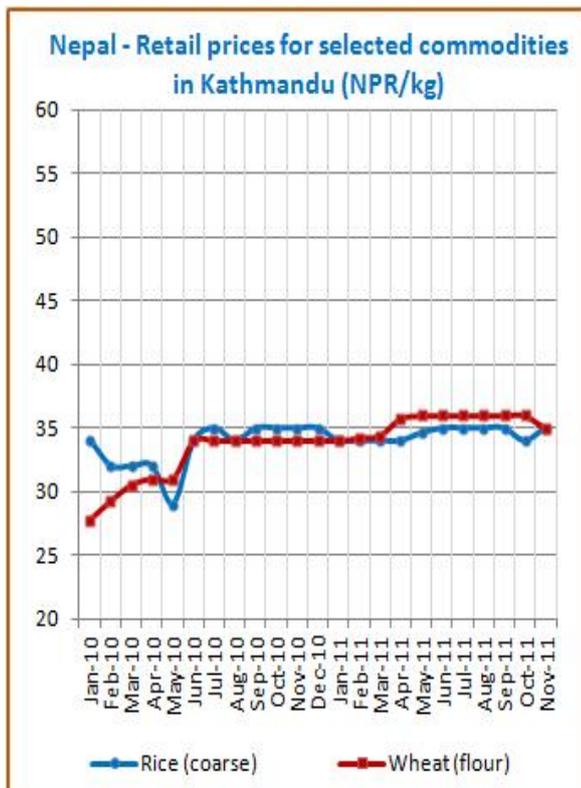
| Economic Indicators | View Data |
|---|-----------|
| Total Population (millions) - 2010 (WB) | 29.959 |
| Population growth rate - 2010 (WB) | 1% |
| GNI per capita, \$ PPP - 2010 (WB) | 1200 |
| Population below 1\$ PPP per day - 2004 (MDGI) | 55% |
| Rural population - 2010 (WB) | 81% |
| Agriculture, value added (% of GDP) - 2009 (WB) | 33% |

| Food Consumption | |
|---|------|
| Undernourished Population - 2006/2008 (FAO) | 17% |
| Cereal share in total dietary energy consumption - 2007 (FAO) | 69% |
| Meat share in total dietary energy consumption | n.a. |

| Health Indicators | |
|--|------|
| Pop. with sustainable access to improved sanitation - 2008 (WHO) | 31% |
| Life expectancy at birth (years) both sexes - 2009 (WHO) | 67 |
| Pop. with access to improved drinking water sources - 2008 (WHO) | 88% |
| Prevalence of HIV among adults aged >= 15 years - 2009 (WHO) | 0.4% |

Prices

Rice prices in Kathmandu slightly declined in October, but went back to 35 NPR/kg in November. Also, wheat flour prices declined to 35 NPR/Kg between Oct/Nov 2011 though still high. There are no recent price data available. However, prices of most commodities monitored by MoAC and WFP slightly declined in December compared to November 2011, particularly the newly harvest summer crops. National average price of coarse rice dropped by 5.7% to 33.3 NPR/Kg, while that of wheat flour increased by 1.7% to 35.2NPR/Kg. In December 2011, average prices of coarse rice and wheat flour declined by 5.4% and 2.5% respectively compared to December 2010.



Source: GIEWS Country Briefs

Food Security Situation Assessment

As a result of the bumper harvest of summer crops and the good outlook of winter crops, food availability in the country is likely to improve in the 2011/12. Overall, the food security situation in the country is satisfactory following the record crop harvest, improved employment opportunities provided by development programs and relatively regular supply of food to the local markets. However, due to reduced harvests, Jumla and Kalikot districts in the Mid-Western Mountain area, and Rukum and Jajarkot districts in the Mid-Western Hill area experienced food insecurity conditions. FAO hunger map reports moderately high prevalence of hunger while IFPRI estimates the food security conditions as serious.

CURRENT EMERGENCY ASSESMENT

| | | | |
|---|---------------------------|----------------------------------|-------------------------------------|
| Exceptional shortfall in aggregate food production supplies | Widespread lack of access | Severe localized food insecurity | FAO/GIEWS CPFS 2011 |
|---|---------------------------|----------------------------------|-------------------------------------|

Nepal is not covered by FEWSNET. FEWSNET coverage is limited 14 African countries 1 Caribbean (Haiti) and 1 Central Asia (Afghanistan). Food security status is given for different parts of the country in each case. [FEWSNET](#)

SCALE OF HUNGER (% of Undernourishment)

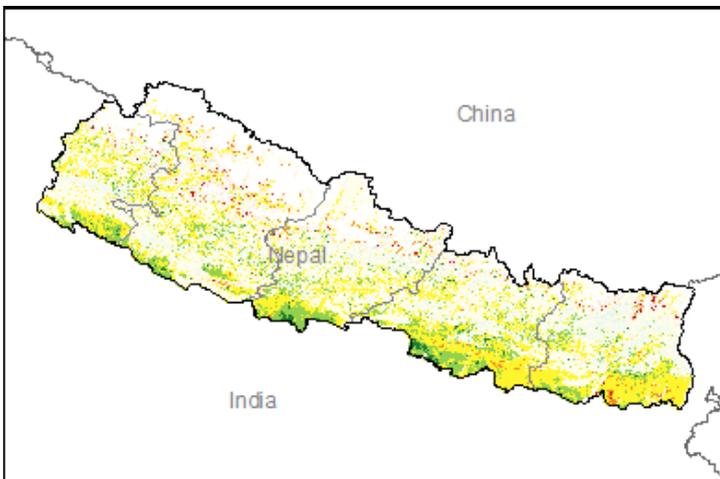
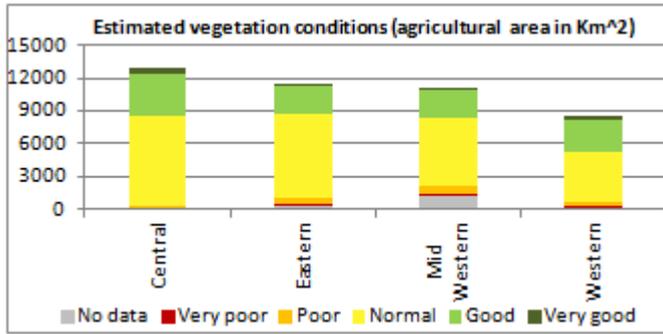
| | | | | | |
|--------------------|---------------|--------------------------|------------------------|------------------------|--------------------------------|
| Very high (>= 35%) | High (25-34%) | Moderately high (15-24%) | Moderately low (5-14%) | Very low (< 5% under.) | FAO Hunger Map |
|--------------------|---------------|--------------------------|------------------------|------------------------|--------------------------------|

FAO Hunger Map classifies all countries of the world into five based on % of population undernourished.

| | | | | | |
|--------------------|----------|---------|----------|-----|--------------------------------|
| Extremely alarming | Alarming | Serious | Moderate | Low | IFPRI/2011 GHI |
|--------------------|----------|---------|----------|-----|--------------------------------|

Vegetation Condition

Normal to good conditions are observed throughout the country. The general indicator of vegetation condition provided below is the absolute difference between the NDVI for February 2012 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER 2005 database (ESA).



Source: JRC MARS – FoodSec

Crop phase in the reference period

| | |
|-------------------|---------------|
| Sowing | Wheat - Maize |
| Growing | Wheat |
| Harvesting | Millet - Rice |

Natural Disasters, Drought and Conflicts

In September 2011, the country was hit by an earthquake which severely damaged or destroyed infrastructures in Eastern Nepal. Moreover families were affected by extreme cold weather following the onset of winter. Agencies are providing relief and assistance to affected population. The political situation remains tense.

| Refugees and IDPs | 2008 | 2009 | 2010 |
|---------------------------|--------|--------|--------|
| Total in the country | 925873 | 909916 | 891319 |
| Total outside the country | 6361 | 7400 | 7068 |

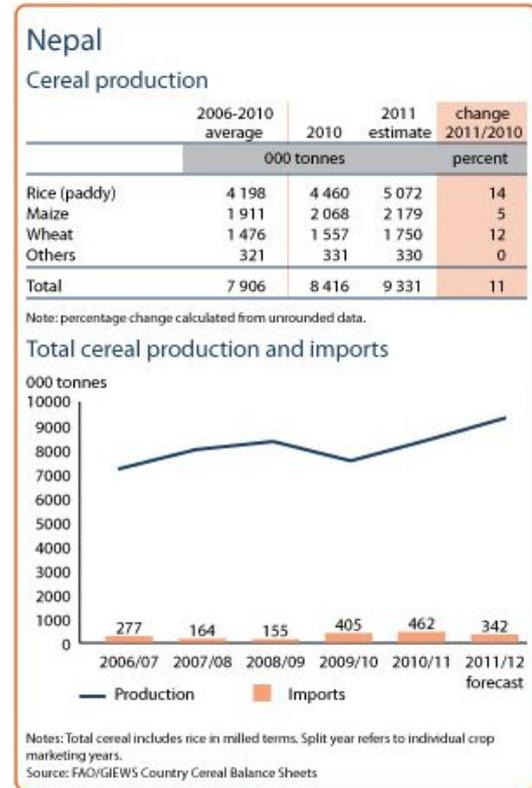
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 01/03/2012.

| Disaster Type (last year) | Date | Location | Alert |
|---------------------------|------------|---------------------|-------|
| Earthquake | 2011-04-04 | Mahakali Province | 1/3 |
| Earthquake | 2011-02-13 | Sagarmatha Province | 1/3 |
| Flood | 2010-07-25 | Southern Nepal | 1/3 |

Source: Global Disaster Alert and Coordination System - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Food Balance Sheet

The 2011 paddy output is estimated at 5.07 mln tones, 14% above 2010 good output. The 2011 total cereal production is estimated at 9.3 mln tones, 11% and 18% increase from 2010 and five year average production respectively. Imports for 2011/12 are forecast at 342,000 tones, 26% lower than imports in 2010/11 and 17% higher than average imports.



Source: GIEWS Country Briefs

Government Policies

The government supports poor and vulnerable groups through social safety programs; major programs include Food for Work, maternity, micro-credit for very poor farmers & small farmers, credit for rural women, emergency funds, welfare schemes, and insurance in health, life, and livestock. Agencies are providing relief and assistance to the affected population.

| | |
|---------------------------------------|---|
| Consumer and market oriented measures | n.a. |
| Producer oriented measures | Irrigation; Land rehabilitation; Microcredit |
| Trade policy measures | n.a. |
| Safety net (increased or introduced) | Job creation; Cash grant programme for children |

Different sources

Current events to watch (Click to see the full report)

No News Found

For more information, contact: Information-for-action@fao.org
Website: www.foodsec.org

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The Programme on Linking Information and Decision Making to Improve Food Security is funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations.