

Price Monitoring and Analysis Country Brief

Nepal

February 2010

Key Messages

- Food prices have stabilized but remain high, limiting access to food of poor people.
- The political crisis undermines stability and development in the country.
- According to GIEWS and IFPRI food insecurity in the country is serious.
- The Government and the EU are providing agricultural inputs to farmers, while WFP is reaching the most vulnerable through food and cash transfers.

Background

Nepal's total population was 28.58 million in 2008 and its annual growth rate was estimated to be 1%. More than half of the population lives with less than 1\$ per day and the prevalence of undernutrition was estimated at 15%.

Economic Indicators	View Data
Total Population - 2008 (WB)	28581687
Population growth rate - 2008 (WB)	1%
GNI per capita, \$ PPP - 2008 (WB)	1120
Population below 1\$ PPP per day - 2004 (MDGI)	55%
Rural population - 2007 (WB)	83%
Agriculture, value added (% of GDP) - 2008 (WB)	33%

Food Consumption	
Undernourished Population - 2005 (FAO)	15%
Cereal share in total dietary energy consumption - 2005 (FAO)	68%
Meat share in total dietary energy consumption	n.a.

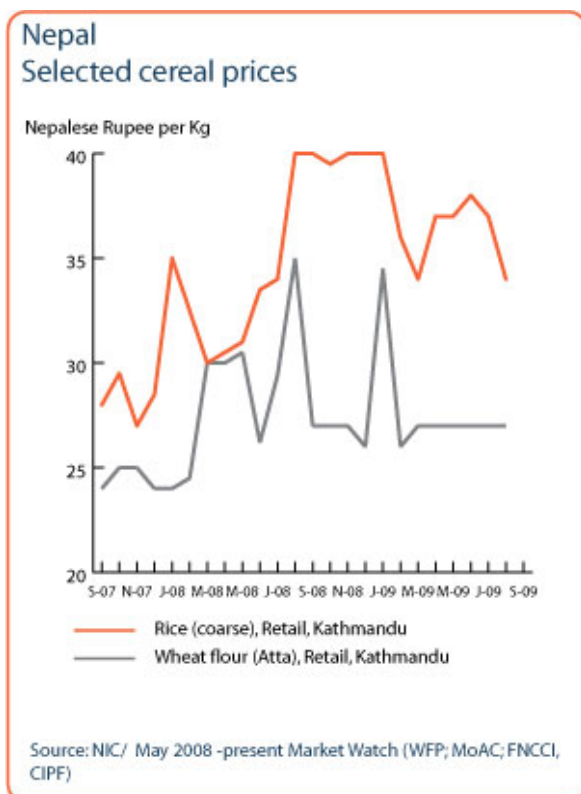
Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	27%
Life expectancy at birth (years) both sexes - 2006 (WHO)	62
Pop. with access to improved drinking water sources - 2006 (WHO)	89%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	0%

Prices

Staple food prices have come down from peak levels but remain high. Rice prices in Kathmandu stabilized at a high rate (40 rupee/Kg) throughout the winter season October-December 2009. Rice prices were 536 USD/Ton in December, 36% higher than the international prices of rice (White Broken Rice, Thai A1 Super, fob Bangkok). Also wheat prices remained stable, registering 26/27 rupee/kg from October to December 2009. Compared to the international price of US Wheat No2 Hard Red Winter, US fob Gulf (221.4 USD/Ton), wheat prices (362.21 USD/Ton) were 64% higher in Kathmandu as in December 2009.

Natural Disasters, Drought and Conflicts

The political situation continues to be tense due to latent hostilities between the government and numerous armed groups. Moreover the peace process with the major opposition party (Unified Communist Party of Nepal-Maoist UCPN-M) is being delayed and increased insecurity is reported particularly in the Mid- and Far-Western Regions. Hence the UN Mission (UNMIN) has been extended until May, when the interim constitution expires and political parties have to draft a new constitution.



Source: GIEWS Country Briefs

Refugees and IDPs	2006	2007	2008
Total in the country	3640043	1032455	925873
Total outside the country	105029	105512	6361

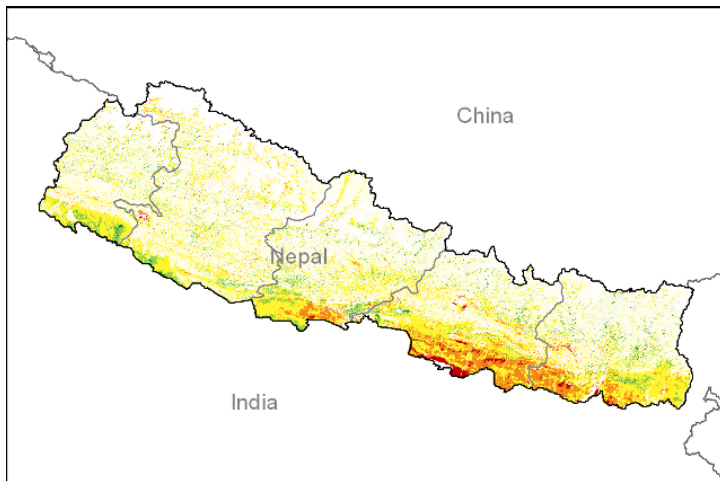
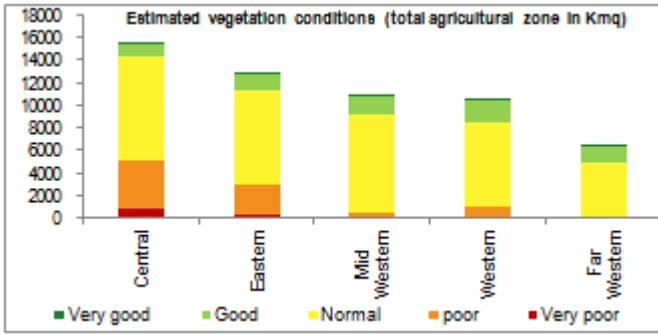
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Flood	2009-10-04	Far Western	1/3
Flood	2009-08-16	Central	1/3
Flood	2009-07-26	East	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.

Vegetation Condition

At this stage of the winter season, normal vegetation conditions are observed for the major part of the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for January 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER land cover database (2005).



Source: JRC MARS – FoodSec

Food Security Situation

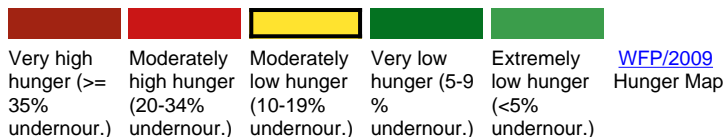
At the end of 2009 it was estimated that over 2 million people in rural areas were in need of food assistance. Food security is particularly affected by constrained access and low purchasing power. According to GIEWS there is severe localized food insecurity in the short term. WFP estimates a moderately low hunger, while IFPRI index reports a serious hunger problem in the long term.

CURRENT EMERGENCY ASSESMENT



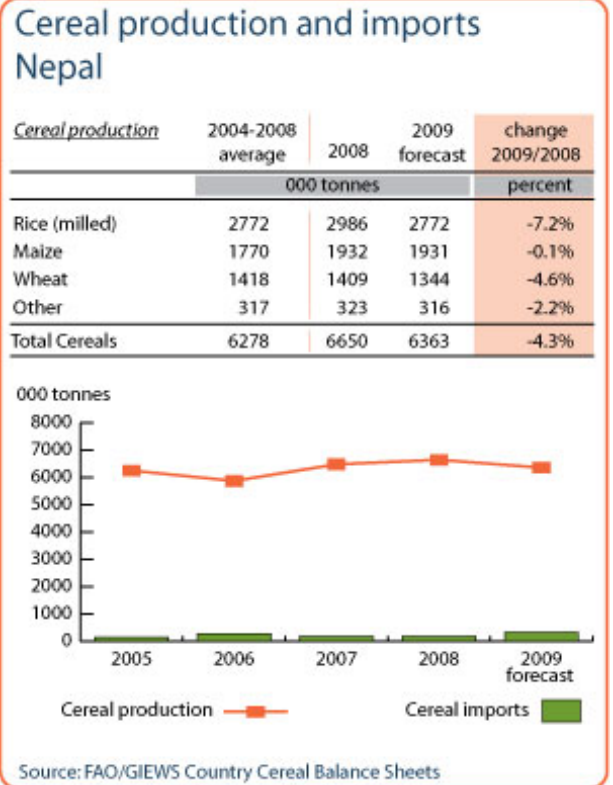
Nepal is not covered by FEWSNET. FEWSNET coverage is limited 14 African countries 1 Caribbean (Haiti) and 1 Central Asia (Afghanistan). Food security status is given for different parts of the country in each case.

SCALE OF HUNGER



Food Balance Sheet

The 2009 wheat production was estimated at 1,340 million tonnes, well below the previous year's production. Harvesting of the 2009 maize crop was forecasted to be about average at 1,4 million tonnes. Late monsoon rains have led to reductions in paddy cultivation and the output was tentatively forecasted below the good output record in the 2008. There are no recent production and import figures.



Source: GIEWS Country Briefs

Government Policies

The government has allowed the Agricultural Tools Company Limited (ATCL) to sell fertilizers at a subsidized price; however it can only meet less than half of the total demand and farmers in the Far-West Region have reported an acute shortage of chemical fertilizers, which is likely to further exacerbate food insecurity in the region.

Consumer and market oriented measures	n.a.
Producer oriented measures	Support to input for crop production.
Trade policy measures	n.a.
Safety net (increased or introduced)	n.a.

Different sources

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

- [NEPAL: Stalled government policy leaves IDPs in limbo](#)
- [NEPAL: Leprosy eradication could be years away - aid workers](#)
- [NEPAL: Shanta Karki, "I don't need rehabilitation"](#)
- [NEPAL: Time running out for peace process](#)
- [NEPAL: Why are so many women killing themselves?](#)

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