

Price Monitoring and Analysis Country Brief

Nepal

October 2009

Key Messages

- Food prices are still high, especially in remote regions where access to food is extremely limited.
- Political instability and drought have affected food security of the people and forced widespread displacement.
- Nepal is described as severely food insecure facing a serious structural problem of hunger.
- Although the government undertook social protection measures, food security deteriorated sharply and increasing numbers of people are in need of assistance.

Background

Nepal's total population was 28.58 million in 2008 and its annual growth rate was estimated to be 1%. The prevalence of undernutrition was estimated at 15% in 2005.

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.

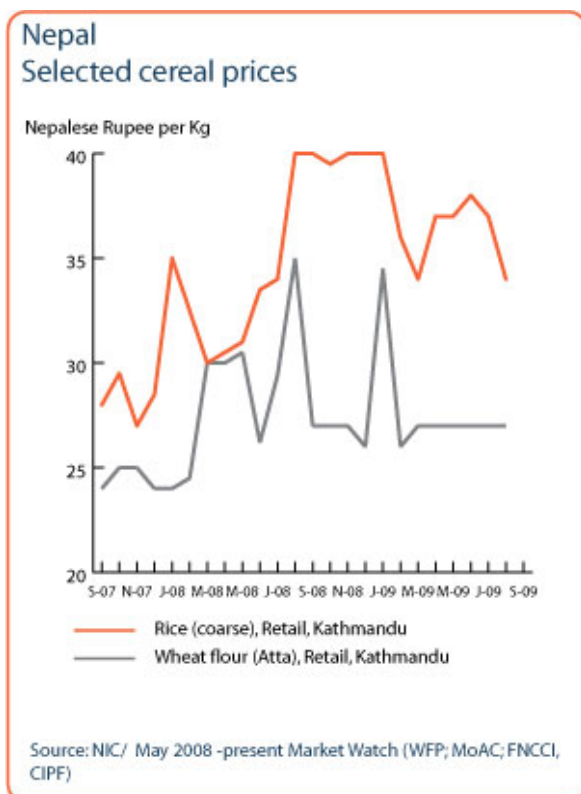
Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	27%
Life expectancy at birth (years) both sexes - 2006 (WHO)	62
Pop. with access to improved drinking water sources - 2006 (WHO)	89%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	0%

Prices

Cereals: Food staple prices have declined, but remain higher in comparison to the pre-2008 food-crises levels. The retail price of rice in Kathmandu was 34 rupee/kg in August 2009, 15 % below the peak in August 2008, but is still 28% higher compared to August 2007. The retail price of wheat flour in Kathmandu was reported at 27 rupee/kg in August 2009, 23% below that in August 2008, but 12.5% above that in August 2007. Food prices remain extremely high in the winter drought affected remote hill regions where households are expected not to have sufficient purchasing power to procure enough food.

Conflicts and Refugees

The conflict between the Madhesis and the government is still violent. The country is also afflicted by political instability due to the long standing hostility between Nepal's biggest political parties, the Communist Party of Nepal-Maoists (CPN-M), the Unified Marxist Leninist (UML) and the Nepali Congress (NC). In 2008, there were 925,873 refugees and IDPs in Nepal.



Source: GIEWS Country Briefs

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

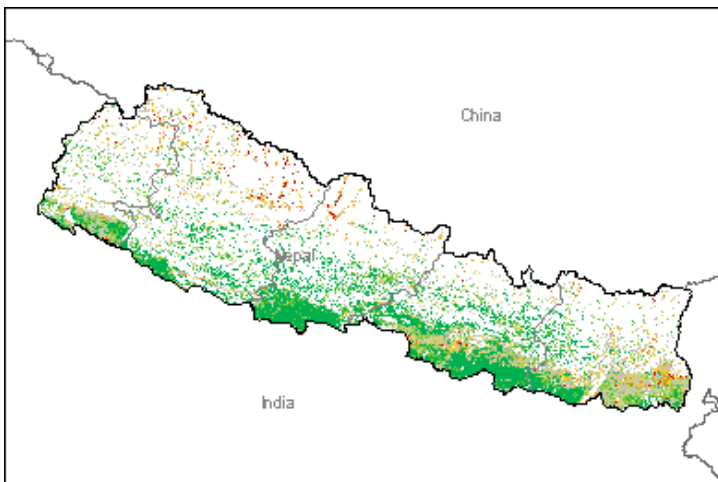
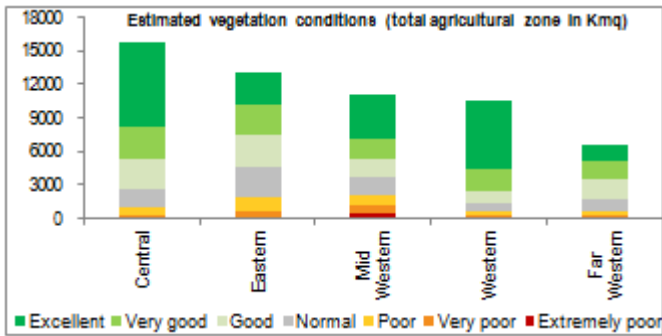
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

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.

Drought and Natural Disasters

Shown below is the estimated vegetation condition of Sept. 2009 with respect to the average of the last 10 years. The vegetation condition is calculated on the agricultural zone defined according to the GLOBCOVER land cover database. Poor vegetation conditions are observed in the mid-western part of the country.



Source: JRC MARS – FoodSec

Food Security Situation

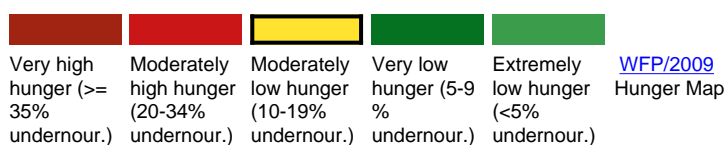
The winter drought has added 700,000 to the 2.7 million people who are in need of immediate assistance. As indicated by GIEWS, Nepal faces severe localized food insecurity in the short term. WFP assesses the situation as moderately low hunger, while IFPRI describes the structural problem of food security as serious.

CURRENT EMERGENCY ASSESMENT



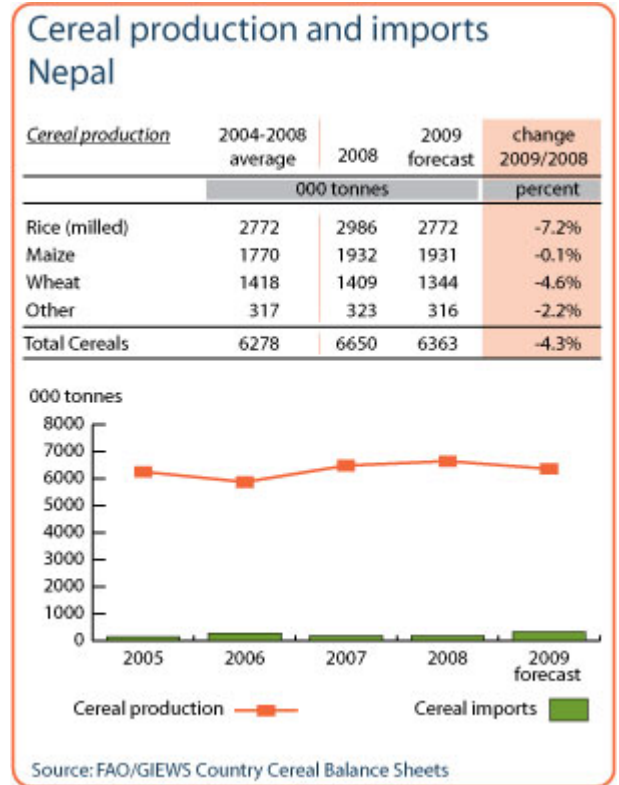
Nepal is not covered by FEWSNET. FEWSNET coverage is limited 14 African countries 1 Caribbean (Haiti) and 1 Central Asia (Afghanistan). Food security status is given for different parts of the country in each case.

SCALE OF HUNGER



Food Balance Sheet

Production of wheat, the main winter crop, is estimated at 1.34 million tonnes, a decrease of about 14.5% from the previous year as a result of a severe drought. The 2009 output of barley is estimated at 23,000 tonnes, 17.3% below that of the previous year.



Source: GIEWS Country Briefs

Governance Policies

In order to support consumers the government released stocks and implemented targeted agricultural input distribution in 2008; it also undertook actions to reduce post harvest losses and to support inputs for crop production; it restricted exports and introduced food and cash transfers as social protection initiatives.

Consumer and market oriented measures	Released stock; Reduction of post-harvest losses; Market infrastructure development
Producer oriented measures	Support to inputs for crop production; Irrigation
Trade policy measures	Restricted exports
Safety net (increased or introduced)	Food/cash transfer; Targeted input distribution

Market and trade policy measures adopted (as of 1 December 2008)

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

- NEPAL: Battling the Gulf traffickers
- NEPAL: Government must act on extrajudicial killings
- NEPAL: Bhutanese refugees "shocked" at WFP food ration cuts
- NEPAL: Floods, landslides hit food stocks
- NEPAL: Political instability undermining development

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

Powered By the [GIEWS Workstation](#)