



## National Alliance Against Hunger in Nepal

### 1) What went wrong in your country which prevented the most vulnerable and the poor to improve their access to safe and healthy food?



Over the last few decades, Nepal has become a food-deficit country. Different parts of the country face a shortage of healthy and safe food. A recent government report has shown that 3.35 million people, or 40 percent of the population in the mountain and hill districts in Nepal, are facing a severe food crisis. The government has declared 38 of the 75 districts as food-deficit districts. According to the report, Nepal is running short of 132,916 tones of food grains, despite the rise in paddy and maize production this year, by 5.2 percent and 2.8 percent respectively. In 2008-09, the total food grain requirement across the country was estimated at 5.33 million tones, whereas the total production was 5.17 million tones.<sup>1</sup>

Nepal's economy remains heavily dependent on agriculture and food insecurity remains a major problem. Agriculture, contributing more than one third of gross domestic product (GDP) and employing two thirds of the country's labour force, is not only a source of livelihood but also a way of life for the vast majority of the population. However, the performance of this sector has been inadequate to meet the increasing food demand. The problem becomes particularly serious in light of the fact that population growth has been outstripping agricultural output growth.

There are many factors, including socio-economic, political and policy-related, impeding widespread access to healthy and safe food in Nepal. Some major factors are discussed hereunder.

- **Low government priority on agriculture:** Low agricultural productivity is a major cause of food insecurity in Nepal. However, the government of Nepal is not prioritizing agriculture. While as much as a third of the national budget used to be spent on agriculture up to the 1980s, only 5 percent of the total budget was allocated to agriculture last year.

In 1985, the government introduced a structural adjustment programme, which required reductions in subsidies and other public expenditures. Later, a big loan for agriculture from the Asian Development Bank (ADB) came with the conditionality of reduction in agricultural subsidies. Consequently, in 1995/96, the government discontinued subsidies for irrigation and fertilizers. The government has also been reducing the supply of food through the Nepal Food Corporation (NFC) over the years. The frequency of food-crisis situations has increased a lot since 1990.

- **Connectivity:** The situation of food insecurity is not always because of low food production. Even when there is surplus food production overall, the surplus food cannot be distributed to the districts where people are food insecure due to poor road connectivity among districts. The country's landlockedness and difficult terrain make it a high-cost economy. This factor also impedes access to safe and healthy food. The government-owned NFC, which buys rice and distributes it in food-deficit districts with government subsidy for transportation, says it faces a budget crunch because it has to deliver food by air. The high cost of transportation by air prevents sufficient quantities of food from being transported to the food-deficit areas. Another problem is that the distribution mechanism is not well targeted.

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<sup>1</sup> Data in this paragraph have been sourced from Ministry of Agriculture and Cooperatives, Government of Nepal.

- **Climate change:** Rising the temperatures and variable rainfall, results of climate change, are already affecting yields. Nepal is vulnerable to several types of natural disasters such as droughts, floods, landslides, windstorms, hailstorms, cold waves, disease epidemics, glacial lake outburst flood, fire and earthquakes. Drought, hailstorms, floods and landslides are by far the most serious and recurrent natural disasters, annually causing significant material and human losses. In 2006, adverse climatic conditions significantly affected cereal production in Nepal, especially in the Eastern and Central Terai, which was badly affected by drought. Prolonged dry spells and floods in 2006 caused a significant reduction in rice production (Nepal's main cereal crop). National rice production decreased by 13 percent and in some districts of the Eastern and Central regions, reductions ranged from 20 percent to 50 percent. Food security in the areas of the Terai was severely affected by droughts and floods in 2006.



- **Conflict:** Food production has been adversely affected by a decade-long internal conflict. Reports show that the livelihoods of more than five million people were affected in some way during the Maoists' People's War. The conflict disrupted local economies, significantly affecting the rural livelihood. The conflict affected livelihood opportunities through decreased mobility, market activities and employment opportunities.
- **Rising food prices:** Lack of economic access to food is the core critical problem in the Hill and Mountain areas of Nepal because of very low purchasing power and extremely high market prices. Global rises in food prices translate into high prices in the domestic market as Nepal is a net food importer. Due to heavy dependence on food and oil imports, it has been difficult to improve access to safe and healthy food. Domestic cartels are also identified as contributing to high food prices.
- **Rural poverty:** Rural poverty is a key factor affecting food security in Nepal, where more than 41 percent of the 28 million inhabitants are under-nourished and 31 percent live below the poverty line. Poverty rates are higher than national average in the Mid-Western (46.4 percent) and Far-Western (45.6 percent) regions, which are also highly food-insecure. Researches have shown that people living in the Mountains spend (on average) more than 65 percent of their income on food, compared with a national average of 36.9 percent.

## 2) Did you see any improvement in addressing hunger and malnutrition problems since the High level Conference on World Food Security: the Challenges of Climate Change and Bioenergy held last June at FAO headquarters, Rome?

Since June 2008, there have not been any noticeable concrete, short-term, specific measures from the government to address hunger and malnutrition. At the broad level, however, the government decided to reintroduce fertilizer subsidies that were discontinued in the mid-1990s. The measure is aimed at ensuring small farmers' access to quality fertilizer at affordable prices and thereby to increase farm productivity as well as to ensure the production of safe food. The implementation of the policy remains to be seen, though. Following the 15<sup>th</sup> Summit of the South Asian Association for Regional Cooperation (SAARC) in August 2008, which came out with the "Colombo Statement on Food Security", the Extra-ordinary Meeting of Agriculture Ministers of SAARC was held in November. In that meeting, Nepal formally pledged 4,000 tones of food grains to the SAARC Food Bank, the operationalization of which is an integral part of the region's food security drive.

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