

Food and Nutrition Security in Nepal: National Status from the Perspectives of Civil Society

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Introduction

Nepal is in a state of political and economic flux, with uneven progress across a range of indicators. A momentous but prolonged political transition from the violent 10-year conflict is taking place. This has overshadowed issues of economic and other reforms (law and order, focus on economic activities and job creation, fostering a positive investment climate), with political uncertainty impacting timing and quality of public expenditure decisions. Economically, the real GDP growth rate has increased to 4.6 percent in 2011/12 as it was 3.8 in 2010/11 (MoF, 2012) . Even some increased in GDP has been observed, Nepal is the slowest growing economy in South Asia. Nevertheless, progress on a number of social indicators has been impressive, although much more is needed. The poverty rate and poverty gap have shrunk and many of the Millennium Development Goals (MDGs) indicators have improved (primary education, education gender parity, under-5 mortality). However, relevant to the proposed operation, the nutritional status of women and children has not shown much improvement, with malnutrition and stunting affecting about half of the nation's children (NPC, 2010). Inadequate food intake is one of the major factors that caused hunger and malnutrition. Over time it manifests itself in stunted and underweight children, especially in combination with low birth weights and high rates of infections. The most extreme manifestation of continued hunger and malnutrition is mortality. The Global Hunger Index (GHI) recognizes the interconnectedness of these dimensions. The development of agricultural sector in a country is important to address the problem of hunger.

2011 Human Development Index ranks Nepal at 157 out of 187 countries. 54 percent of Nepal's population lives on less than US\$ 1.25 per day, and three and half million people are considered moderately to severe food insecure, counting Nepal among the poorest countries in South Asia (WFP, 2009)

The Global Hunger Index (GHI) 2011 Report prepared by the International Food Policy Research Institute (IFPRI) has placed Nepal in the 54th position, up from 56 in 2010. Nepal has been put in a position of serious in persistent hunger based on data which shows 16 percent of the population to be undernourished, 38.8 percent of under-five children to be underweight and 4.8 percent of them dying before they reach five years of age (IFPRI, 2011).

Nepal in Global Hunger Index, 2011

Year	1990	1996	2001	2011
Index	27.1	24.6	23.0	19.0

to the criteria set by IFPRI, the index can vary between 0 and 100. A higher index indicates a higher prevalence of hunger. The severity of hunger is determined using the following thresholds:

- GHI \leq 4.9 low
- GHI 5.0-9.9 moderate
- GHI 10.0-19.9 serious
- GHI 20.0-29.9 alarming
- GHI \geq 30.0 extremely alarming

World Food Programme has developed a sub regional hunger index for 15 sub regions of Nepal in 2009 which indicates the severity of the food insecurity in rural and remote areas although the aggregate index falls under serious category. The highest prevalence of hunger can be found in the Far-and Mid-Western Hill and Mountain regions. The NHIs in these parts of the country are close to or above 30, pointing to an *extremely alarming* situation. The majority of the fifteen sub-regions of Nepal fall within the *alarming* category with National Hunger Index (NHI) ranging between 20.0 and 29.9. Three sub-regions (Central Hills, Western Hills and Eastern Terai) have NHI between 10.0 and 19.9 indicating a *serious* food insecurity situation. Note that there is not a single sub-region in Nepal that falls within the *moderate* or *low hunger*-categories. This underscores the seriousness of the food security situation in Nepal (WFP, 2009)

Moreover, the GHI 2011 shows that fewer people are available to work on the farms, and most of the young people are migrating to foreign countries to work. "That is why agricultural labour is not sufficient, and some of the farm land is going to lie fallow. The result is that agricultural production is lower than before, and prices are rising," according to the report. The report combines three hunger-related indicators—the proportion of undernourished in the population, the prevalence of underweight in children and the mortality rate of children.

The IFPRI's future projections show a persistent shortfall in the domestic production of rice in Nepal to meet the total demand although the production depends on the monsoon as some years the harvest reported to be relatively good. Under the pessimistic set of conditions, rice demand in Nepal is projected to be more than double the domestic production in the year 2030. Given that rice is the major crop under cultivation as well as the predominant staple in the Nepali diet, this forecast deficit is a matter of concern. The IFPRI's estimates show that the large growth in the direct demand for rice is driven

mainly by the high growth in population between now and 2030 and not so much by a rise in per capita consumption (Kathmandu Post, Jan 20, 2012).

National Policies on Food Security and Nutrition

Nepal is primarily agriculture country providing employment for more than two-third of the population and contributing one-third to the Gross Domestic Product (GDP). The economy has historically been agrarian in nature, with its share in GDP ranging from 60% to 70% between the 1960s and early 1980s. With the various structural changes in mid 1980s, the contribution of agriculture in GDP started to decline. As a result, agriculture's share reduced from 51% in 1985 to about 40% in 2000, and to 35% in 2012 (Economic Survey 2012). The growth in agriculture remains low in Nepal as it is 4.9 percent in 2011/2012 while it was 4.5 percent in 2010/2011 (MoF, 2012).

Nature of problems

In the last 15 years, the agricultural sector of Nepal experienced several changes. The proportion of households operating agricultural holdings as well as the average size of the operated land has decreased. Out of the total households in the country, 74% are agricultural households with land and roughly 2% are agricultural households without land. Out of total households operating land, 58% are in the hills, 43% are in the Terai and 9% are in the mountains. The average size of agricultural land area in the country is 0.7 hectares. A majority of agricultural households depends on small farm size for cultivation. Of the total farmers about 53% are small farmers (operating less than 0.5 ha of land, other 4% are large, operating 2 ha and more land (NLSS, 2010/2011). Some changes in selected agricultural indicators are given in table 1 below:

Table1: Selected Agricultural Indicators, 1995/96-2010/11

Description	1995/96	2003/04	2010/11
Agricultural households with land (percentage of households)	83.1	77.5	73.9
Percentage of cultivated land under irrigation	39.6	54.3	54.4
Average size of agricultural land (ha)	1.1	0.8	0.7
Average number of parcels	3.8	3.1	2.9
Holding operating less than 0.5 ha (percent of total holdings)	40.1	44.8	52.7
Percentage of holdings operating renting –in-land only	4.8	7.3	5.4
Percentage of holdings growing main paddy	76	76.1	72.3
Percentage of holdings growing summer vegetables	35.6	60.8	68.8
Percentage of holdings with cattle	73.5	66.6	64.2
Percentage of holdings with poultry	49.9	52.7	53.6

Source: NLSS 2010/2011

Agriculture (including crop, livestock and fisheries) is the mainstay of the rural economy but its productivity is low. The agricultural productivity is one of the lowest in the South Asia region and has been virtually stagnant for over a decade. The situation is even worse in the rural and remote areas of Nepal where food production is barely enough to meet more than six months' demand. Thus, most people in the rural and remote areas are dependent on external/emergency food supply including the World Food Program. The continued food insecurity and lack of economic opportunities has triggered out-migration of youth from rural Nepal in search of employment opportunities resulted into the scarcity of labor force in agriculture in Nepal.

The agriculture sector faces a multiplicity of challenges that constrain its performance well below the potential. **As indicated in Table 1**, agriculture is typically characterized by small holder, traditional and subsistence farming; limited use of improved livestock breeds, crops varieties and management practices; and high susceptibility to pest and disease incidences. The nature of the problem includes: (i) low availability of good quality seed and improved breeds of livestock at the farmer level (the seed replacement ratio is 4.27% against GON target of 25% and, moreover, seeds used by farmers are often of outdated variety, and with low purity and germination rates; given the low base, seed quality enhancement alone can lead to an estimated yield increase of 15-20% in case of cereals, at least 20% in potato, 40-50% in oilseeds, and over 100% for maize; and finally, breed improvement can produce significant gains in livestock productivity);

(ii) insufficient development by the research system of “appropriate” – location and problem specific - technologies and management practices for use by farmers that tap topographic and climatic advantages or address local constraints;

(iii) weak research-extension-farmer linkage;

(iv) thin and inadequate extension support (even after significant enhancement in recent years, less than 15% of farm households are reached by the extension system; and each Agricultural Service Centre – the lowest, sub-district extension node – covers approximately 9000 holdings, dispersed over a difficult terrain);

(v) low investment in productive assets, including supplementary irrigation infrastructure to reduce rain-dependence;

(vi) poorly developed market linkages; and

(vii) a lack of institutions and instruments for agricultural risk-bearing and risk-sharing. Budgetary and staff resources for public research (the Nepal Agricultural Research Council or NARC) and extension agencies (Departments of Agriculture and of Livestock Services) are stretched.

Policies on agriculture and food security

A number of policies have guided the agricultural sector of Nepal. The Agriculture Perspective Plan (APP) 1995 has been the major policy document for the agriculture development in Nepal. However, implementation of APP was weak and APP was not adapted to the changing contexts in terms of labour, markets, and infrastructure for agricultural development. APP was updated through the National Agricultural Policy (NAP) (2006). NAP focuses on commercialization, private sector-led development, and trade. The Agricultural Biodiversity Policy (2007) emphasized the promotion of organic production of high value agricultural products. Government of Nepal (GoN) has also developed Agri-Business Promotion Policy (2007), with an objective of promotion and development of the high value crops developing commercial pocket areas based on the speciality and possibility of concerned areas.

The Interim Constitution of Nepal 2007 recognizes food sovereignty as the fundamental right of citizens. The importance of agricultural growth and food security has been underscored in a sequence of GON documents and plans (10th plan, interim plan and current three year plan (2010-2012). The National Agriculture Sector Development Priority plan (NASDP 2011-2015), and the associated Country Investment Plan (CIP). A Multi-Sectoral Nutrition Plan of Action, led by the National Planning Commission, aims to integrate, *inter alia*, contributions from the agriculture sector (Ministry of Agriculture Development) to lay the foundation of a national “nutritional architecture”. With the support of various development partners, a number of projects have also been undertaken to address many of the development challenges listed above – albeit at a limited scale typically - such as local seed production and storage, participatory action research for locally suited varieties, livestock productivity enhancement, crop diversification, off-farm livelihood development (including micro-enterprises), training and capacity building of farmer groups.

Moreover, the government of Nepal has begun to develop new Agriculture Development Strategy (ADS) for next twenty years as the current agriculture perspective plans expires on 2014. The process of strategy development is being debated as conflict interests in agriculture exist in Nepal.

Nevertheless, agriculture sector has not been the priority of the government in terms of public investment as only about 3% of the annual budget of the government of Nepal is allocated to agriculture sector. The farmers and peasant organizations have been demanding for more budgets in agriculture in Nepal. From the 2011/2012 fiscal year, the government has brought a policy for investing at least 15% in agriculture by the local government. It means. 15% budget of the local government goes to agricultural development.

Global food crisis and Nepal

Nepal has been largely affected by the food crisis of 2007. Domestically, food prices are fast outstripping overall general prices. The Food Price Index (FPI) has been continuously dragging up Consumer Price Index (CPI), whose annual percentage change is a popular measure of inflation. Since Nepal does not produce enough food to satisfy domestic demand, it has to import food equal to domestic production deficit. So, shocks in production, supply and prices of agricultural goods at the global level affect food prices in local markets as well. There was 316,000 metric tons food deficit in 2010, an increase by 139 percent from 2009, according to the WFP.

Note that a Nepali spends, on average, 59 percent of his/her income on food. Of this about 58 percent and 15 percent are spent on breads and cereals, and fruits and vegetables, respectively (Republica, 22 Feb 2011). Since food prices are already high in the domestic market, any further price rise will force more people to take low quality and less quantity of food, which will directly affect the health of poor and marginalized people.

Compliance to international agreements and programs

Nepal is signatory to a number of international agreements and programs. Government of Nepal actively participated in world food summits. Nepal has been the signatory of the millennium declaration. The Millennium Development Goals also recognize the importance of achieving food security by aiming to eradicate extreme poverty and hunger by the year 2015. The national policies and plans have integrated the poverty and hunger index in order to address the food security and nutritional issues in Nepal.

Agricultural Programs for Food Security and Nutrition in the country

Nepal has its own comparative advantage with the diversity of Nepal's agro-ecological zones for growing and exporting off-season horticulture, niche products, and non-timber products like medicinal plants. Organic production is practiced by default in Nepal in many parts of the rural areas. But such produce cannot currently be certified according to international standards and thereby obtain price premiums. The government has promulgated the National Technical Standard for Organic Agriculture System (NTSOAS, 2008), a specific guideline to promote organic produce of Nepal for both national and international markets. If the implementation of the NTSOAS is put into practice, it will facilitate organic production and processing of high value agricultural products.

National Agriculture Research Council (NARC) has been formal government institution for agriculture research in Nepal. It has produced a number of crop varieties and animal

breeds suitable to different agro-climatic conditions. Nevertheless, the effectiveness of technologies for small holders is yet to be proved. Most of the new technologies generated by NARC intend to focus on production and not seem to be less compatible to small holders and poor peasants.

Ministry of Agriculture Development (Government of Nepal) has responded to the growing problems of food insecurity in Nepal by developing a number of programmes and projects. GoN has been planning to implement a project entitled "Nepal Agriculture and Food Security Project" (NAFSP) financially supported by Global Agriculture and Food Security program (GAFSP) in 19 districts of priority development regions (Far Western and Mid Western) of Nepal. There are a number of food security projects funded by donors (IFAD, USAID etc) including feed the future- a prospective project on food security funded by USAID in near future.

Problems arising from government and inter-governmental policies and action that affect smallholders

Since Nepal's agriculture system is primarily subsistence, a number of government programs and projects aim to commercialize the agriculture to bring it into the scale of economy that generate profits. There is a paradox that the present level of agriculture activities does not seem to be supporting sufficiently the livelihoods of the smallholders on one hand, the efforts of commercialization also do not appear to be beneficial for small holders as they do not have the capacity to engage with commercialization and capture the market opportunities.

Moreover, the government policies to invite private companies in agriculture sector also has been the debated issue in Nepal as Nepali farmers have been protesting the involvement of multi-national companies in agriculture. Recently, the government of Nepal Monsanto, a multinational company was invited by the government of Nepal for the production of maize seed. This was vehemently opposed by the peasant organizations of Nepal and the deal between the government and the companies is still in controversy.

Nepal became the member of WTO in 2004 and both the benefit and constrains for Nepali farmers from the WTO membership is being debated in Nepal in a sense that it presents both opportunities and formidable challenges to meet food safety rules, animal health regulations, and quality standards, together with re-evaluating domestic support programs, price controls, and competitive advantage.

Mechanisms and Institutions on food and nutrition security

Primary responsible ministry to ensure food security is the Agriculture Development Ministry for food production and agriculture development. Ministry of Health is also given responsibility to look after the nutritional aspects of children and women. At district level, a provision of food security committee has been formed chaired by chief district officer. District Agriculture Development Office serves as member secretary and

district livestock development office, district food corporation office, district forest office and NGOs working in food security are the members of the district food security committee. The major function of this committee is to distribute the food in food deficit pocket areas of the concerned districts. The committee is formed in food deficit districts of Nepal.

A number of CSOs are mobilized in food deficit districts for "food for work" programme as NGOs distribute foods to the people who work for the development activities in their village. Road construction is the major activities under this programme.

Government policy in relation to food security is to supply food items, particularly rice to food deficit area. In remote areas, the food items are air lifted and subsidized the transportation cost. This mechanism has been in place since long and being criticized for not being sustainable policy for food security as this policy has ignored in promoting the local production and consumption system. Also the mechanism is blamed to creating a dependency to external agencies for food items in the rural and remote areas of Nepal.

CSOs working in human rights, poverty, agriculture and natural resource management came together and formed National Network on Right to Food Nepal (RtFN). RtFN was established in 2007 comprising about 50 national and international non-governmental organizations, peasant organizations and CSO networks. The main objective of this network is to build popular pressure to the state and government for progressive realization of right to food through all democratic processes.

Recommendations on the possible role of Civil Society

- A strategy for establishing coordination among government and civil society is needed. There is lack of coordination within government institutions and between the government and non government organizations. There are a number of institutions implementing programs and projects on nutrition and food security. Such strategy and mechanism would bring synergy through coordinated and complementary efforts. Right to food network Nepal/ national alliance against hunger will have crucial role to develop such strategy.
- Development of policies and plans are not sufficient condition to address the problem of food and nutrition security. A mandatory mechanism to implement the policies and plans are needed. The implementations need to be constantly monitored by civil society organizations.
- As the agriculture is neglected area in terms of budgetary focus in Nepal. Allocation of sufficient budget to agriculture as priority sectors of development of the government of Nepal should come both in annual budget and long term development planning.

- The constitution of Nepal 2007 has included a provision of Food Sovereignty as a progressive action of Nepali state in terms of ensuring rights to food to its citizens. Related Act is needed to put the concept of food sovereignty in to practice/real life. Food Sovereignty bring about the land rights issues including right to grow food. The food sovereignty policy and act demand radical reform in agrarian structure including land reform.
- Focus and efforts should go on sustainable agriculture practices aiming to maintain the food production to feed people of the country. For this, government should provide subsidies to the farmers who will be practicing the sustainable agriculture.
- CSOs should engage in the process of preparing new Agriculture Development Strategy in order to ensure rights of small farmers.

Capacity building for NGOs and Rural poor organizations for policy advocacy and field practices

- Enhance the knowledge and skills of NGOs/CSOs in order to equip for policy advocacy
- Develop tools and techniques for policy advocacy
- Promote networking among the farmers organizations, NGOs/CSOs working in land, agriculture, and forest and food issue
- Strengthened the farmer organizations/smallholders' organizations in order to enhance their bargaining power with the government bureaucracy and political parties
- Preparation and compilation of best practices
- Documenting the cases on the violation of rights to food
- Study on changing dynamics of agriculture and land issues in Nepal

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