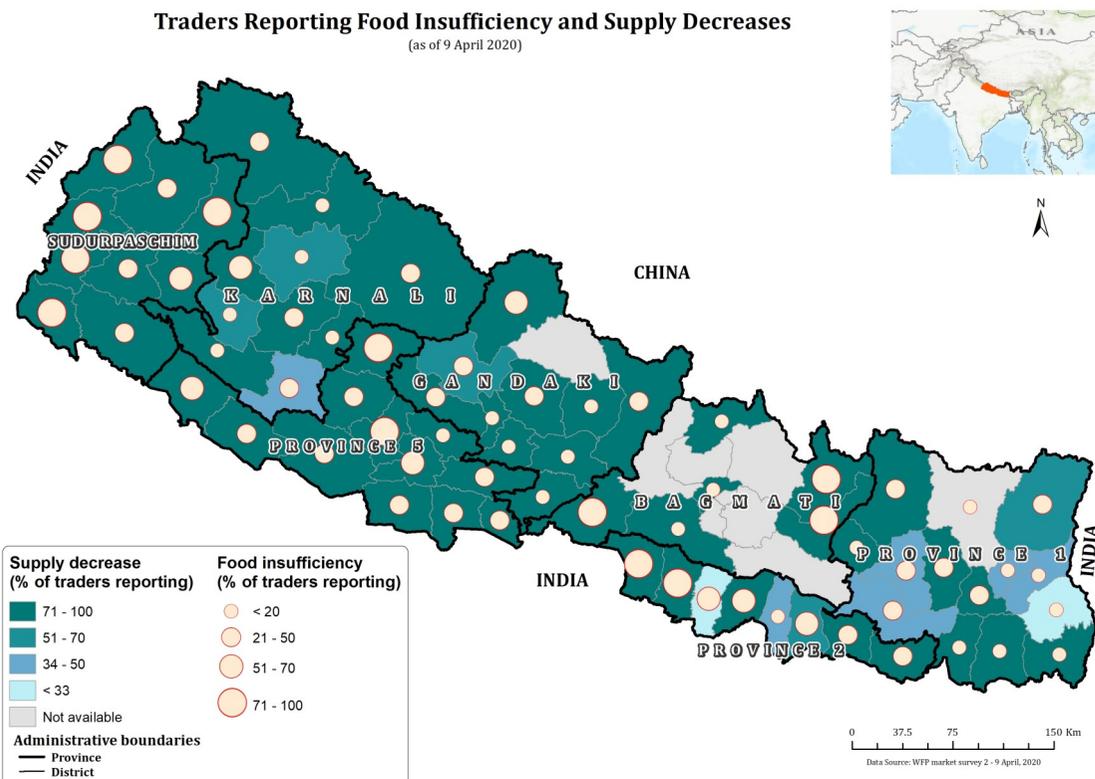


Nepal COVID-19 Food Security & Vulnerability Update 2

16 April 2020



Traders Reporting Food Inefficiency and Supply Decreases
(as of 9 April 2020)



their stock. The demand for milk has dropped by an estimated 60% following difficulties in accessing markets and consumer anxiety.

Other risk factors to food availability exist as Indian producers halted [rice exports](#) last week. While Nepal's market stocks are estimated at three months and this news is not cause for immediate concern, the sustained suspension of rice or other food good exports could affect food security in the country given Nepal's high dependence on imports: during the first 13 days of the lockdown, Nepal imported a total of [25,770 MT of food goods](#) from major trade posts in Biratnagar, Birgunj, Kakarbhitta and Bhairahawa.

In country food stocks may be enough for three months but are not spread across the country uniformly. Hard-to-access markets with low food stock levels include: Humla, Bajura, Bajhang, but also Lamjung, Gorkha and Dhading districts. Karnali province has organized at least one

airlift to Humla district and has plans for more in Mugu and Dolpa districts.

A further variable that may affect food security is an anticipated [shortage in the supply of vegetables](#) in India during the summer months, after farmers suffered large losses in vegetable harvests during the ongoing lockdown. This could affect Nepal, which imported an estimated 16,000 MTs of vegetables during the first two weeks of its national lockdown.

WHEAT HARVEST

The wheat harvesting is ongoing with an

estimated 30-40% of harvesting complete across the country as of 13 April. While no major difficulties are thus far reported, some concerns about the smooth operation of machinery, such as combine harvesters, exist as many machine operators are Indian nationals who have since returned to India. The Ministry of Agriculture and Livestock Development and Provincial counterparts are maintaining a focus on facilitating market functioning across the country, namely the marketing of goods — harvest, transportation and storage. The map here shows preliminary estimated wheat production in Nepal based on the CRAFT methodology, but using the previous year's planting area as an assumption.

MARKETS

WFP monitors markets in 68 districts across the country through telephone surveys to assess possible effects of COVID-19 on market health and commodity prices. Market surveys capture information on the demand and supply situation, transportation and labour markets, including the retail of essential food and non-food commodities and skilled and unskilled labour wages.

The first round of the monitoring was completed in the first week of April 2020. Overall, more than 60 percent of traders reported to have sufficient food and non-food stocks, however the stock of food and non-food commodities in Sudurpaschim Province is reported to be insufficient by 68 percent of traders. A majority of traders reported a low demand for both food and non-food commodities. Demand for food and non-food items has decreased compared to the previous week due to limited movement of people and income losses caused by the lockdown.

BACKGROUND/NOTE

As a response to the spread of the novel coronavirus (COVID-19) around the world, the Government of Nepal (GoN) ordered a national lockdown from the 24th of March, urging people to stay at home and closing schools, businesses and markets. While the restrictions on movement and activity in Nepal may be exacerbating food security issues across the country, they are steps designed to slow the spread of COVID-19, and to mitigate potentially devastating economic and social effects in Nepal, and reflect measures taken by most countries.

MACRO-SITUATION

With a slowdown in economic activity due to the ongoing lockdown, certain sectors of the economy have been hard hit (illustrative example: brick production has dropped by an [estimated 40-50%](#)). Within Agriculture and Livestock, the sectors most affected are considered to be poultry, dairy, vegetables and livestock production. Confinement has led to a [lack of inputs and difficulties in transportation](#) have been pushing down demand for food goods in urban settings in some cases. In the poultry sector, daily egg production has dropped to an estimated 2.5 million from over 3 million as feed scarcities have left farmers unable to care for

Transportation services and supply of commodities have been affected by the current COVID-19 crisis and lockdown, resulting in a limited movement of trucks and vehicles carrying goods. Compared to the previous week, 85 percent of traders reported that the supply of goods decreased, with 90 percent of traders reporting a decrease in transporting trucks and other vehicles.

It is reported that the labour market has been highly affected in the ongoing crisis. Overall, 43 percent of traders reported a low demand for labour, and 22 percent a medium demand. However, some traders reported that they did not find labour for their daily business activities which pushed them to close down their businesses. Looking at the current supply and transportation situation, markets are likely to be vulnerable in terms of availability of essential goods and market-goers' purchasing power should the lockdown persist in the coming weeks.

BY-PROVINCE UPDATES

As local governments begin to tally the numbers of most affected households (including daily wage labour working in the informal sector, premature returnee migrants, marginalized communities and other vulnerable people), WFP is tracking this progress by district. The map shown on page 3 represents the relative concentration of vulnerable people identified by the different local governments and in line with indicative targeting criteria issued by the Ministry of Federal Affairs and General Administration following a cabinet decision late last March. This work remains ongoing however and revised estimates are expected to be available once local governments finalize the identification.

A note on Palika food assistance packages mentioned below: distribution across

the country has been inconsistent in terms of the basket of goods and the length of time. Generally, Province-1, Bagmati and Gandaki packages are meant to last 15 days; those of Karnali and Sudurpaschim 10-15 days, those of Province-2, 7-10 days, and for Province-5, 5-7 days.

PROVINCE-1

82 out of 137 Palikas identified 251,852 'most affected' households, 129,166 of which have received a relief package. Some Palikas in mountain districts have seen only a minimal impact on local livelihood activities and food security.

The lockdown has remained effective in restricting population movement; only essential shops are allowed to open. Markets are partially functioning with limited supply; vegetable prices have increased by 20-50%. More than 100 tea industries which had reopened their business last week, are now closed again due to a short supply of fuel.

PROVINCE-2

71 out of 136 Palikas identified a preliminary total of 257,431 'most affected' households (of which socially marginalized communities identified include Terai Dalits: Musahar, Khang, Batar, Mallaha and Dhanuk, and Muslim people). Some 20,760 of these have received a 7-10 day relief package of: 15-20 kg of rice, 1-2 kg of pulses, 2-3 kg of potatoes, 1 litre of oil, 1kg of salt, and 2-4 pieces of soap.

Markets are partially functioning with sporadic supply. The price of vegetables has gone up by 50-75% since the start of the lockdown through April 10th. The crisis/movement restriction has led to a shortage of wage labour and harvesters in some locations which is expected to adversely affect the ongoing wheat harvest.

The provincial government has suggested to farmers that they can hire wage labour and harvesters from elsewhere if they encounter shortages as long as they abide by appropriate social distancing guidelines.

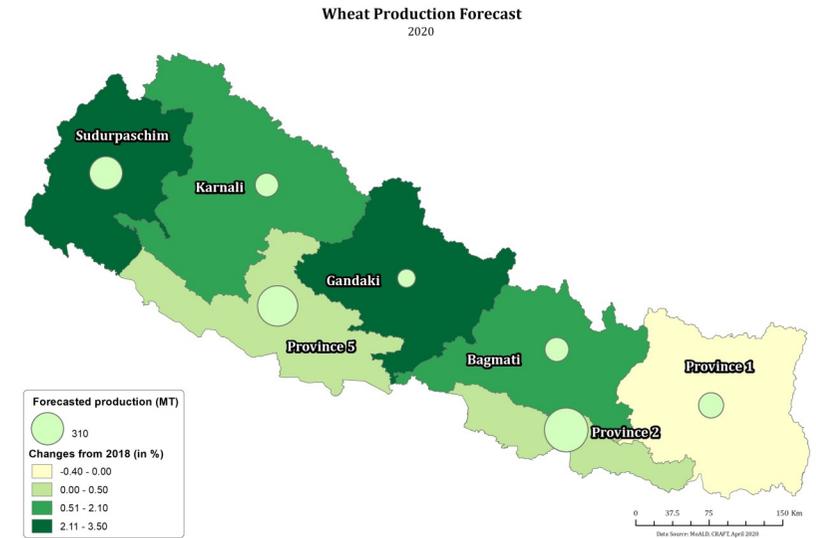
BAGMATI PROVINCE

63 out of 119 Palikas identified 197,211 'most affected' households, of which 82,118 have received a short-term relief package. Kathmandu Metropolitan City alone has thus far identified 35,200 households or about 176,000 people, though this number is expected to rise should the lockdown continue; of these, 28,089 people have received food assistance.

Only essential food shops are open in the markets following government protocols. Pharmacies are open the whole day while only certain banks are providing services, on reduced hours (1-2 hrs/day). The price of vegetables has increased by 50-80% since the start of the lockdown through April 10th. Wheat harvesting is estimated to be 30-35% complete. Labour shortages have caused delays in harvesting winter crop, while there are indications of delays in the planting of summer crop (maize and spring paddy) as well.

GANDAKI PROVINCE

53 out of 85 Palikas identified 79,487 'most affected' households, of which some 53,896 have received a relief pack-



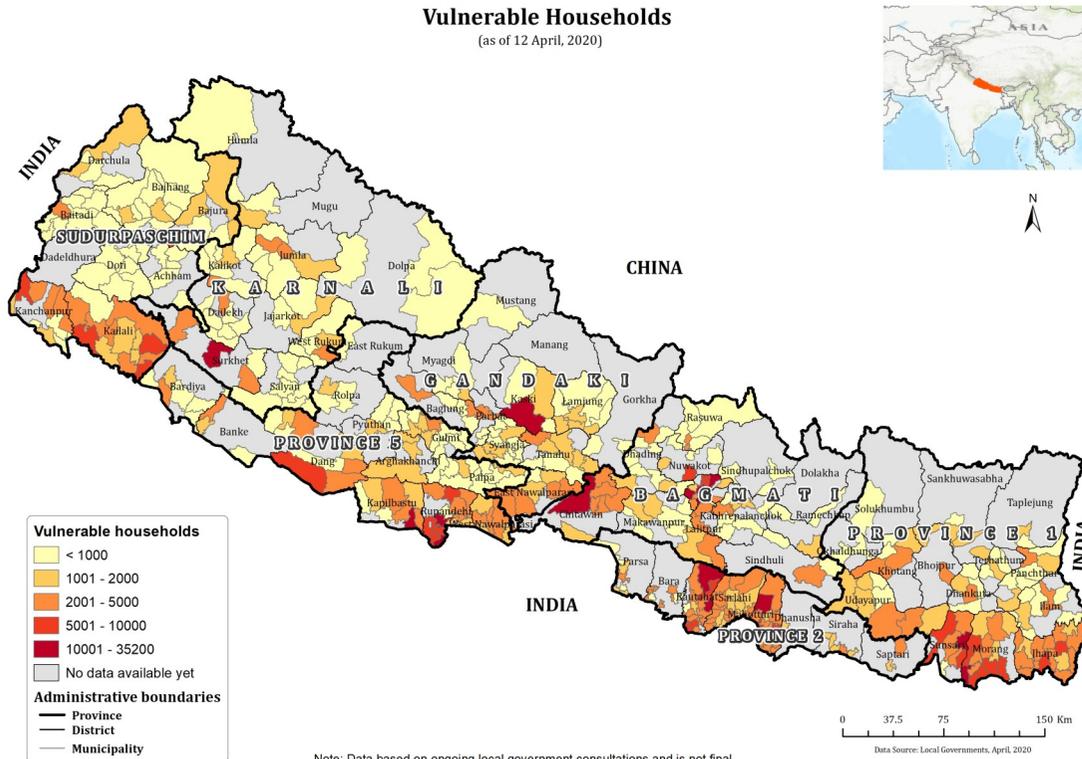
age. Tarakhola Palika in Baglung district is one example of relief packages including locally-produced food, like maize and millet, of which 35 kg were distributed to each family with up to 4-members, and 52.5 kg for families with more than 4 members.

Only a limited number of markets are functional, with market stocks in most districts only sufficient to meet demand for between two and eight weeks. The provincial government has plans to ease market functionality by allowing food traders to access passes to more easily transport goods within and outside Gandaki province. As food supplies from outside the province are limited, vegetable products in provincial markets are mainly coming from farmers of Baglung, Parbat and Tanahu districts.

PROVINCE-5

80 out of 109 Palikas identified 154,016 households as 'most affected', of which some 87,874 households have received relief support. Reports exist of at least one Palika having stopped collecting information for now due to pressure from the

Vulnerable Households
(as of 12 April, 2020)



Note: Data based on ongoing local government consultations and is not final.



MT of food to Humla, and has transported 241 MT, 18 Mt, and 104 MT to Mugu, Kalikot and Jumla respectively.

Limited vegetable items are available in the markets, prices have increased by 30-60% since the lockdown in the mid-hills; Birendranagar Palika in Surket district restricted the movement of fruit, vegetable and dairy products from even the Palikas of Surkhet district from 8 April, which could result in a shortage of these items in the market.

SUDURPASCHIM PROVINCE

69 out of 88 Palikas have identified 90,240 households 'most affected'. Some 21,811 households of these have received assistance.

Food stock at provincial headquarters is enough for now, whereas the stock of vegetables and fruit is limited due to the closure of the Indian border and restrictions on personal and vehicular movement.

The provincial government has decided to provide NPR 3,000 to each of the identified 'most affected' households through Palika governments. Likewise, the province has decided to allocate NPR 500,000 to each District Administrative Office, and NPR 1.5 million to each district's security forces to be dedicated to the COVID-19 response (mobilization and logistics management). Further, according to province plans, insurance coverage of NPR 1.5 million is to be provided to each health worker, security personnel and journalist working to address the COVID-19 crisis.

KARNALI PROVINCE

51 out of 79 Palikas identified 53,030 'most affected' households, 13,999 households of which have received some type of relief support. Palikas in the mountain districts have considered marginalized community (Dalit), the elderly, and households with low income and less agricultural production as the most vulnerable. Most of the Palikas expect additional relief packages for the vulnerable households, if the lockdown continues further. Karnali's provincial government has decided to provide financial support to all 79 Palikas in response to the crisis, in an amount ranging from NPR 1.5-3 million per Palika. The government is concerned about a possible food crisis in mountain districts and has airlifted 210

people demanding blanket coverage. They are, now, watching the distribution process in neighbouring Palikas in order to learn from, and make the case for their own Palika later.

The supply to markets remains partial in the province. The price of vegetables (carrots and cabbage) has increased by 100% since the start of the lockdown through April 10th, however the price of chicken has come down by 20%. Vegetable farmers are losing their products in their field as they cannot bring their produce to market, whereas consumers are still facing a deficit of supply. In addition, farmers are facing difficulties harvesting of wheat due to a shortage of wage labourers.

ABOUT AND CONTACT

This series of food security and vulnerability update reports has been prepared to track Nepal's food security situation as the novel coronavirus, COVID-19 and its secondary economic impacts become felt in Nepal.

Globally, WFP is working to monitor how vulnerable populations and the world's poorest may be affected by the virus, ancillary stoppages in economic activity and trade, and a downturn in the world economy [through a food security framework](#).

WFP Nepal's Evidence, Policy and Innovation Unit works to support national food security monitoring systems and track food insecurity across the country, through household surveys, market monitoring and close consultation with the government and other partners country-wide.

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