

Reference Date: 4-April-2011

### FOOD SECURITY SNAPSHOT

- Prospects for 2011 winter wheat harvest are favourable.
- Food price inflation at 17.6 percent (as of mid-January) is much higher than the general inflation.
- Over all food supply is improving but high cost of food is a concern especially for the low income population.

### Favourable prospects for the 2011 winter wheat harvest

Harvesting of the winter crops, mainly wheat, is currently underway in the low lying areas and will continue until the end of June in the hilly areas. The rainfall during the first half of the season has been below normal but good soil moisture from the last year's extended monsoon season and favourable precipitation in January-February 2011 overall benefited crops. The Ministry of Agriculture and Cooperatives reports that the area planted to wheat this season increased. The early forecast indicates a 2011 wheat crop above the average of the previous five years.

The 2010 total cereal production is estimated at 8.23 million tonnes (including paddy), a recovery from the drought affected 2009 output. The generally favourable monsoon season last year was the main reason behind the eight percent increase in production in 2010. The 2009 cereal production itself was some 8 percent below the bumper harvest of 2008.

### Cereal imports expected to come down in 2010/11 but still remain above average

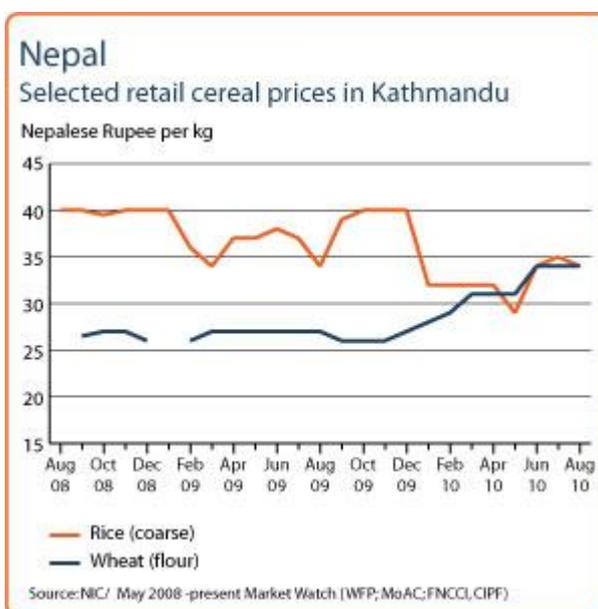
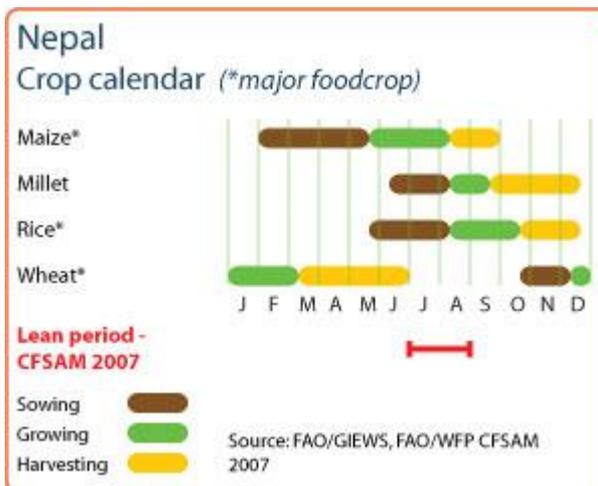
Owing to the improved aggregate harvest in 2010, the estimated cereal imports for 2010/11 marketing year (July/June) are estimated to be lower than the record imports in 2009/10. The Government of India partially lifted its wheat export ban, allowing the sale of 250 000 tonnes of wheat to Nepal at cost price.

### Food price inflation is much higher than the non-food price inflation

According to the Nepal Rastra Bank (National Bank) the year-on-year consumer price inflation increased to 11.3 percent in mid-January 2011 from 10.7 percent at the same time year before. However, the food and beverage group prices increased by 17.6 percent as opposed to the non-food and services price index increase of 6.2 percent. Recent data on individual commodities is not available.

### Food security situation improving

The increased food production in 2010 has improved food supply situation in general. However, rising food prices and high general inflation resulting in reduced purchasing power are a concern especially for the low income sections of the population. Preliminary findings of a joint Government/FAO/WFP crop assessment report of February 2011 indicates that in spite of the overall good production at the national level, given the large geographic disparities in production and yields, some areas in Nepal, particularly in the Eastern Terai districts of Saptari and Siraha, and in the Mid- and Far-Western hills and mountains are likely to



### Nepal Cereal production

	2005-2009 average	2009	2010 estimate	change 2010/2009
	000 tonnes			percent
Rice (paddy)	4147	4024	4460	11
Maize	1816	1931	2068	7
Wheat	1454	1344	1550	15
Others	318	316	330	4
<b>Total</b>	<b>7735</b>	<b>7614</b>	<b>8408</b>	<b>10</b>

Note: percentage change calculated from unrounded data.  
Source: FAO/GIEWS Country Cereal Balance Sheets

face food deficits leading to food insecurity, especially for the most vulnerable populations.

