



GIEWS Country Brief Nepal

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FOOD SECURITY SNAPSHOT

- Below-average cereal production forecast in 2023
- Cereal import requirements in 2023/24 marketing year forecast at above-average level
- Record high prices of most basic food products in August 2023
- Record high food prices negatively affect food access of most vulnerable households

Below-average cereal production forecast in 2023

Harvesting of 2023 maize crops is nearing completion, while the bulk of the paddy harvest is expected to start in mid-October. Production is anticipated to be below the average, as erratic and insufficient seasonal rainfall in some important crop producing areas curtailed both sowings and yields. High prices of agricultural inputs resulted in low application rates of fertilizers and pesticides, with negative effects on yields. Rice and maize outputs are forecast at below-average levels of 5.3 million tonnes and 2.8 million tonnes, respectively. Production of wheat, harvested last June, is officially estimated at average level of 2.1 million tonnes.

According to weather forecasts, there will be a high likelihood of below-average precipitation between October and December 2023 in eastern parts of the country that may hinder planting operations and establishment of 2024 wheat crops. By contrast, precipitation is forecast to be above average in western parts of the country, with likely positive effects on crops.

Cereal import requirements in 2023/24 marketing year forecast at above-average level

In the past five years, cereal imports, mostly rice, covered about 15 percent of the national consumption requirements and most imports were sourced from India. Cereal import requirements in the 2023/24 marketing year (July/June) are forecast at an above-average level of 1.75 million tonnes. Rice imports in calendar year 2024 are forecast to rise by 250 000 tonnes year-on-year to 950 000 million tonnes. Wheat import requirements are forecast at an above-average level of 300 000 tonnes, driven by the need to increase market availability mainly due to strong local demand and sharply reduced imports since the [export ban](#) by India in May 2022. Imports of maize are expected a near-average level of 500 000 tonnes.

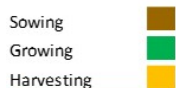
Nepal

Crop Calendar

(*major foodcrop)



Lean period



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Cereal Production

	2018-2022	2022	2023	change
	average		forecast	2023/2022
000 tonnes				percent
Rice (paddy)	5 480	5 486	5 300	-3.4
Maize	2 931	3 000	2 800	-6.7
Wheat	2 082	2 145	2 090	-2.5
Others	354	361	367	1.8
Total	10 847	10 992	10 557	-4.0

Note: Percentage change calculated from unrounded data.

Record high prices of most basic food products in August 2023

Retail prices of rice increased sharply in the first quarter of 2023, reflecting high domestic production and transport costs. After some declines, prices reached record levels in August due to expectations of a reduced 2023 domestic production.

Retail prices of wheat flour steadily increased in the second part of 2022 and reached record levels in January 2023, mostly driven by tight market availability ahead of the 2023 harvest and due to reduced imports since May 2022. High production and transport costs also supported prices. Prices declined seasonally in the first quarter of 2023 and, after a short-lived increase in July, they dropped by 5 percent month-on-month in August. The price softening followed the Indian government's [approval](#), on 21 June 2023 to export 300 000 tonnes of wheat until April 2024, in response to an earlier request by the Government of Nepal.

Record food prices negatively affect food access of most vulnerable households

According to a [survey](#) conducted by the World Food Programme (WFP) in April 2023, about 4.26 million people¹ (14.6 percent of the total country's population) were not consuming an adequate diet, mainly due to record high food prices and reduced income linked to the slowdown of the national economy in 2022. For the remainder of 2023, concerns on the access to food persist as prices stand at high levels and purchasing power of the most vulnerable households is generally low, amid high inflation. According to the National Statistics Office, the food inflation rate was estimated at 9 percent in August 2023.

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This brief was prepared using the following data/tools:

FAO/GIEWS Country Cereal Balance Sheet (CCBS) <https://www.fao.org/giews/data-tools/en/>.

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool <https://fpma.fao.org/>.

FAO/GIEWS Earth Observation for Crop Monitoring <https://www.fao.org/giews/earthobservation/>.

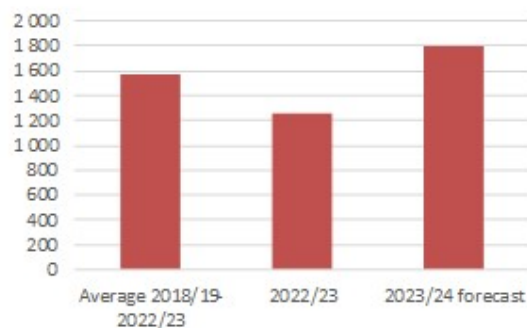
Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>.

¹ This estimate is based on the Food Consumption Score (FCS) indicator which measures dietary diversity and food frequency. A household food consumption score is calculated according to the types of foods consumed during the previous seven days, the frequencies with which they are consumed and the relative nutritional weight of the different food groups.

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Cereals Imports

000 tonnes



Notes: Includes rice in milled terms. Split years refer to individual crop marketing years (for rice, calendar year of second year shown).

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Retail prices of rice and wheat

Nepalese rupee per kg

