Chapter - Six

Government response: politics of food aid and food crisis

6.1. Food deficit and food aid

After Jumla was hit by famine in 1972, the government took steps to send food by air-lifting. Since then, the government has been providing food to Karnali, and the amount has been increasing year after year. People commonly believe that the benefits of food distributed in Karnali have been taken either by helicopter-owners or by *raksi* (alcohol) makers. Usually more than half the rice was allocated to government personnel including the army and police and teachers. On the whole, Karnali government has spent Rs 200 to 250 million a year in the transportation of food. But the problem is that the food crisis has deepened despite the subsidies (on transportation only) on food supply. As the food supplied by the government is cheaper than the costs to produce food locally, people now give less attention to the production of food.

For the last 35 years, the government has considered the hilly districts in the far West as food deficit areas. Accordingly, the government has provided food at a subsidized rate since 1972. Since then, the dependency on government food has been growing, and

so is food insecurity. Until the subsidies started, it is reported that local people had adopted various trade-related activities which entailed exchanges of products which were locally available. They produced and collected various herbs and wild foods and fetched salt from Tibet, which they exchanged with food grains produced at the lower hills. It has already been shown that the production of food grains has not kept pace with the population growth rate in Karnali. The data show that the Karnali population has grown by about 1.67 percent per year from 1971 to 2001; the growth rate of food production is slower. As a result per capita food production has been declining and food deficit has been growing. This has already been illustrated in previous chapters (especially in Chapters 4 and 5). This description showed that local food production is increasingly deficient in meeting the basic food requirements of the Karnali population. Even though there seems to be some variation from one district to another, the pattern is the same – the deficit is growing.

The main remedy of deficit food production adopted by the government has been the transportation (air-lifting) of food with full subsidy on transportation. What has been the contribution of food aid from the government?

6.2. Food deficit production and government support

Data on food production in different districts, the minimum requirement and the deficit/surplus show that these districts have suffered from 'deficit' food production since the late 1960s. There is some variation in the capacity to meet food requirement from own production across the districts in Karnali (See Figs. 6.1 to 6.6). This is amply illustrated in the following diagrams. The Annex tables, based on which these graphs are prepared, also show the production, requirement and deficit/surplus of food in the different districts. It has to be noted that there is variation within the districts. Some villages might have been self-sufficient in food production, and some households might have been food deficient within these food surplus

villages. Therefore, as stated earlier in Chapter 2, there is complexity in food security analysis, and one has to look at the household and the individual for the analysis of food security. This will be done in the next chapter. This chapter analyzes the situation of food security at the district level only.

Fig. 6.1: Production, requirement and surplus/deficit of food in Dolpa

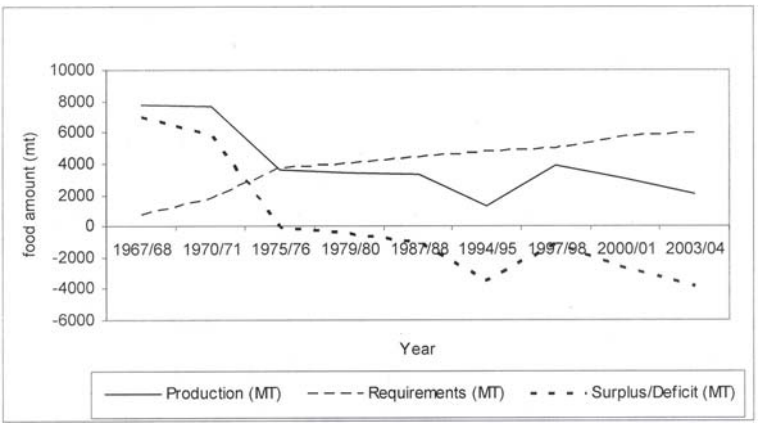


Fig. 6.2: Production, requirement and surplus/deficit of food in Jumla

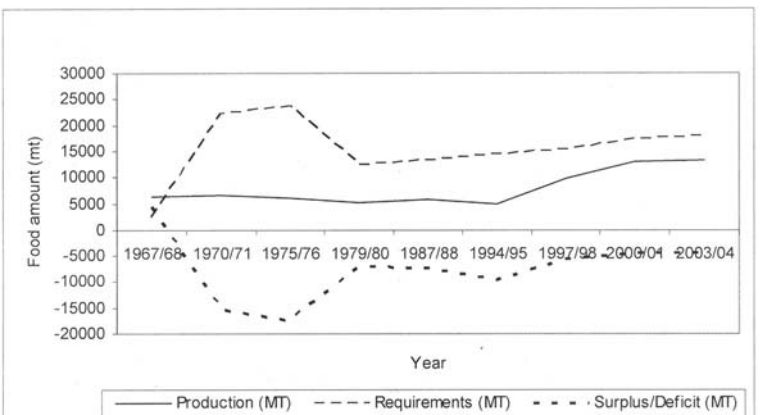


Fig. 6.3: Production, requirement and surplus/deficit of food in Kalikot

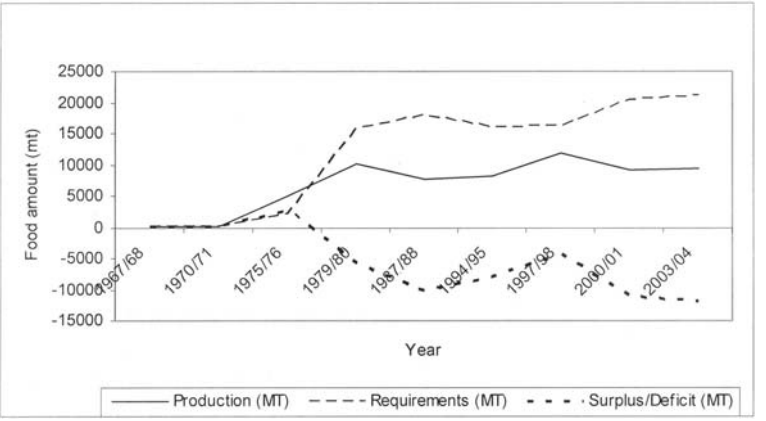


Fig. 6.4: Production, requirement and surplus/deficit of food in Mugu

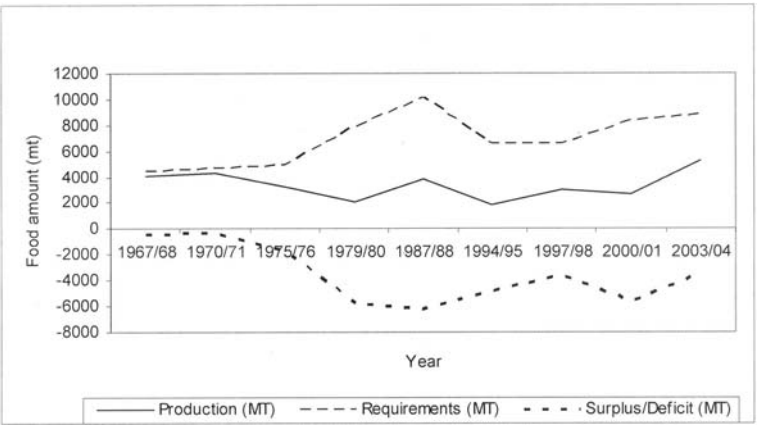


Fig 6.5: Production, requirement and surplus/deficit in food in Humla

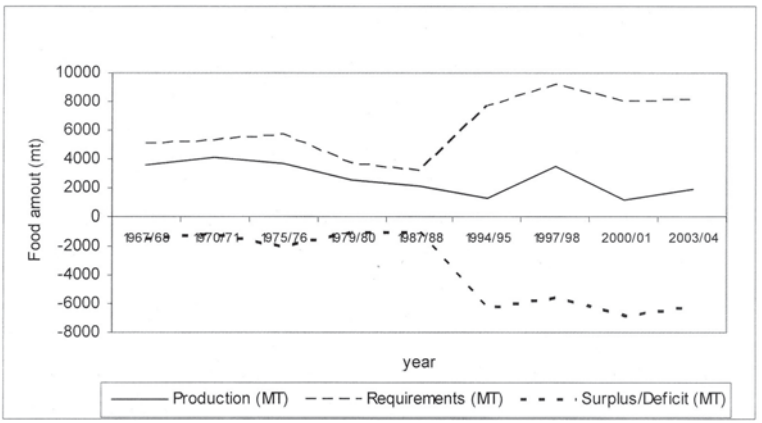
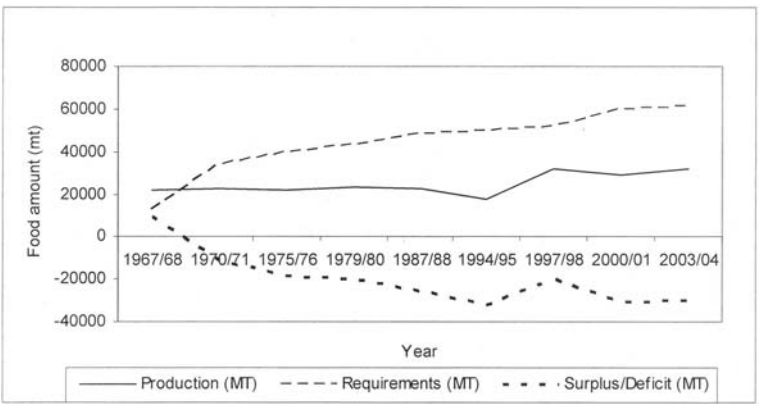


Fig. 6.6: Production, requirement and surplus/deficit in food in Karnali



Sources for Figs. 6.1 to 6.6: MoA 1971; CBS 1981, 1991, 1995, 2001, 2005.

6.3. Government food-aid

Even though food aid started since 1972, information was not available for the period before 1985. The analysis, thus, has been made for the situation after 1985. This is presented in table 6.1. The

table shows that government food aid has been increasing, even though there is some variation from year to year. For example, in the late 1980s and early 1990, the yearly food aid ranged from 1200 to 1600 mt. During the mid-1990s, yearly food aid was around 2000 to 3000 MT. In the following years, it ranged between 3,500 to 4,000 MT. There is an obvious need to increase food aid due to population growth and decline in production. During the last ten years (1996-2006), the conflict and other political-economic changes in Nepal's middle hills, India and Tibet led to decline in the exchange entitlement of the people of Karnali, which had been one of the ways to meet food security.

Table 6.1: Food supplied from NFC in different years to Karnali

Year	Mugu	Humla	Dolpa	Kalikot	Jumla	Total
1985/86	31.91	7.68	54.59	5.95	101.78	201.91
1986/87	102.95	207.71	241.2	130.23	601.74	1283.83
1987/88	136	355	303	150	610	1544
1988/89	189	392	359	232	650	1822
1989/90	197	445	442	281	710	2075
1990/91	165	329	322	191	454	1461
1991/92	156.58	274.79	190.46	241.37	362.47	1225.67
1992/93	197.48	335.32	286.8	208.4	387.47	1415.47
1993/94	266.45	370	375	184	437.4	1632.85
1994/95	297	524	436.6	432	633.7	2323.3
1995/96	412.2	718.5	522.2	446	896	2994.9
1996/97	457	743.6	506	586.8	854.4	3147.8
1997/98	596	998.5	643	639	1043	3919.5
1998/99	690	1094	934	867	1353	4938
2001/02	559.3	968.7	685.6	549.3	1153.3	3916.2
2002/03	590.8	789.3	751.1	560.9	1110.7	3802.8
2003/04	634.2	751.6	739.3	625.9	1144.8	3895.8
2004/05	728.7	845.6	948.1	779.9	1176.1	4478.4
2005/06	640	740	780	640	1010	3810

Source: Sales Department, NFC, 1998, 2007.

From the data, it seems that Jumla receives the most absolute food-aid, followed by Humla. Other districts received more or less the same amount of food aid. What are the grounds for these differences? There are no ready answers from Nepal Food Corporation (NFC) which supplies the food. The responsible officers in NFC say that it is based on tradition (i.e., what had been supplied in the past), political pressure and sudden crisis. Political pressure seems the most important reason; if food crisis does not become a political issue, it is not taken into account. Further, it is seen that government staff (in this case NFC) are comfortable to continue with the tradition. The new initiatives generally invite criticism and sometimes can be a risky venture for the bureaucrats.

The amount of food supplied to different districts based on the deficit production showed that only about 13 percent of the food deficit in the district has been supplied in early 2002 in Karnali. This was slightly higher in 1997 (19.4 percent of the deficit), when there was a hue and cry about the famine and hunger deaths. The information on government food supply as percentage of food deficit has been patchy and it has been difficult to get information for all years. As a result, this has been analyzed for a few selected years. This information has been presented in Table 6.2. The information shows that there has been an increase in food aid as percentage of food deficit production in different districts. It was about 6 percent in 1987/88 and 7 percent in 1994/95. One of the reasons for this increase is that politicians from Karnali place 'increase in food aid' on their political agenda. Further, the government feels that if this quota is increased, it has done its duty towards Karnali.

Comparing the districts, in recent times Jumla seems to have got a high share. It has got almost one-quarter of its food deficit from the government. Dolpa and Mugu receive the next highest share (as percentage of food deficit). Jumla, with some flat river valleys like Hat Sinja, has been considered as the 'food basket' of Karnali. There are also important government offices in Jumla and it has been an administrative centre for many years. For these reasons,

more government food is supplied in Jumla. Table 6.2 also shows that there is no pattern in food aid as a percentage of food deficit production. It would be more effective to take into consideration early warning systems and estimations of food deficit and then plan for food aid based on these estimations. Moreover, there is certainly a wide variation within the district. There needs to be a system that targets the problematic communities or the villages.

Table 6.2: Government food-aid as percentage of food deficit production in different districts

Year	1987/88	1994/95	1997/98	2000/01	2003/04
Dolpa	28.48	12.72	56.26	25.30	19.30
Jumla	8.23	6.59	19.12	25.85	25.82
Kalikot	1.48	5.53	14.68	4.92	5.33
Mugu	2.19	6.22	16.47	9.87	17.90
Humla	33.44	8.25	17.82	14.10	12.07
Karnali	5.97	7.26	19.43	12.69	13.09

Source: Sales Department, NFC, 1998, 2007; additional calculations by the author.

Even though it has been said that government spends large revenue in food aid, the real benefit at the individual level is not that significant. For example, food aid per capita per year in 2003/04 was only 12 kg. Even in a period (1997/98) when there was a large level of food aid, per capita availability (from food aid) was only about 13.5 kg. Considering that a family has six individuals, the food aid per family would be about 73 kg to 75 kg. In the past, a household would get this much of food grain with the help of say 3 sheep (a sheep used to carry 14 kg packs on either side of its back).

Although it seems that per capita food aid is about 12 or 13 kg a year, all of this does not go to the people. As reported by some newspapers, food supplied by the government is mainly used (up to 60 percent) to feed the government employees. Considering this fact, the contribution of the government's efforts has played an insignificant role in meeting the food requirements of the people. On the other hand, the government often makes over-blown claims

about its work in providing subsidized food. 'Food-aid' is often used as a political tool to gather votes during elections. The reality is people depend primarily on subsistence production for their livelihood. The forces undermining this production system need to be identified in order to ensure sustainable food production and to increase the exchange entitlements of the people.

Considering the per capita food aid, Dolpa, Humla, Jumla, Mugu and Kalikot are ranked in descending order. Kalikot has a large population and the share at the individual level is low.

Table 6.3: Per capita food-aid in Karnali

	1987/88	1994/95	1997/98	2000/01	2003/04
Dolpa	12.50	16.55	23.17	22.82	23.99
Jumla	8.33	7.89	12.23	12.74	12.29
Kalikot	1.51	4.84	7.12	5.16	5.68
Mugu	2.44	8.13	16.23	12.88	13.76
Humla	20.41	12.33	19.73	23.20	17.75
Karnali	5.93	8.45	13.51	12.54	12.07

Source: Sales Department, NFC, 1998, 2007; Calculations by the author
Amount of food-aid is expressed in kg.

6.5. Other supports

NGOs and donor communities also have programs to support people by providing food. The most obvious has been the food-for-work programs of various types. Rural Community Infrastructural Project (RCIW) supported by World Food Program (WFP) and other similar activities (food-for-work or cash-for-work) carried out by other INGOs and NGOs have also been aimed at increasing food security. These activities are concentrated not only in Karnali, but in the mid and far west region. The food-for-work program has generally been helping the people, but there are concerns raised about the quality of infrastructure being built. As the quality of infrastructure has generally been poor, the sustainability of these programs and the generation of income or economic growth from this infrastructure is low. Other programs carried out by INGOs and NGOs include targeted programs like feeding school children,

special support for girls by giving food and oil to girls attending school, and special nutrition for pregnant and lactating mothers. In the last five years (2002–2006), about 140,111 mt of food has been distributed from WFP supported programs, but it has largely gone to the far and mid west regions. On an average, about 28,000 mt of food has been supplied yearly, providing about 32 kg food per beneficiary in a year. In a news report in a Kantipur daily, such food-for-work programs have been considered beneficial to people in Jumla. It reports that people were happy to have an irrigation canal built which helped in increasing the production and at the same time they got food during crisis times (Shahi 2004).

6.6. Other sources of food

The above description of food production, requirement, deficit and government's support does not tell us exactly what food was consumed. There are various ways to fulfil the deficit. People transport food themselves even at the individual level. The sheep caravan was one of the ways that families met their food supplies. To a small extent, this method is still practiced. Traders also supply food on a private basis. Similarly, there are many other types of food which are not accounted for by the data available from government sources. A small narrative of how people depend on cultivated and non-cultivated food and minor food crops has already been presented. However, it has been difficult to tell objectively how much non-cultivated food and minor food crops contribute to the food consumption at the household level. Of the total food produced (excluding potato, other minor crops like root-crops, wild and uncultivated crops and animal products) in the zone, only 11 percent is supplied from the government. Therefore, local production is still important for the Karnali zone.

In a study (HMG/N,1978)[1] of Humla district in 1987/88, it was estimated that other foods which are grown locally like *uwa,*

[1] HMG/N. Department of Agricultural Marketing (DAM). 1978. Food production and use in Humla. Kathmandu. DAM.

kauno, chino, latte contribute about 57.4 kg food per capita, or 42 percent of the total food available (from own production) from the plant source. Consumption of potato and other root-crops which are popular in the high mountain region should have met the food-deficit. Therefore as a whole, food is available at the zonal level to an extent required to meet the minimum food requirements. The problem, thus, seems to be of distribution and access.

The study conducted in Humla in 1987/88 revealed that a family then owned 4.34 *ropani* (0.22 ha) of land, both *khet* and *pakho* (this is much less than what is reported in the census report; in 1991, it was reported to be about 0.52 ha). This is considerably less than the national average (about 1 ha at that time). But the census report (1976 - mid-term census) reveals that land holding is about 0.11 ha per capita (about 0.7 ha per household) in Humla. Similarly, this figure (per capita land holding) was 0.13 ha (per capita) in Dolpa, 0.04 ha in Jumla, 0.59 ha in Kalikot and 0.9 ha in Mugu. Despite relatively large land holdings in Mugu, food security has not been particularly better here. Land holding is particularly small in Jumla, far below than the national average. Therefore, one of the reasons for food deficit production in Jumla and Humla could be less availability of land. Still, the quality of land is much better in Jumla (where more *khet* is available) as compared to Humla.

Despite small land holdings in Humla, the above mentioned study (conducted in 1987/88) revealed that a household produced 121 kg food grains per capita. This included 56 kg of buckwheat, *Chino*, *Uwa* (naked-barley), *Kagun* and *Latte*. Considering all plant and animal products, per capita consumption of food was estimated at 182 kg, which is considered the minimum requirement for subsistence. However, calorie-wise, this amount of food provided 1448 calories, whereas the minimum considered necessary is 2200 calories. This meant that the local production base was able to provide 66 percent of the calorie requirements (the amount of deficit that is evident in the 1990s, which has already been discussed). The study also reveals that only 16 percent households were able to fulfil their rice requirements, 35 percent

purchased all the rice they needed and 22 percent managed some of their rice requirements from their own production as well as purchased some. Regarding maize, the figures were 87 percent (produced at home), 9 percent (purchased) and 4 percent (from both sources). The figures for wheat were 78 percent, 18 percent and 4 percent respectively. For buckwheat, millet and other grains, households were self-sufficient. The study however did not give any information as to how the households meet their deficit food requirements nor mentioned any consequences of deficit food consumption. It was also incomplete in the sense that it considered the farm households in isolation, without considering the interaction of households with the market or the penetration of market and intervention in the form of development projects and food aid. Similarly, how the households have been changing their livelihood strategies to cope with the stress arising from population growth and other external and internal changes was not studied. Without these considerations, analysis and prediction of food security situations becomes incomplete. Still, it seems that minor crops were probably the cushion to meet food requirements. Moreover, these minor crops grow in dry and infertile lands. They also grow adequately even in drought periods. Therefore, they must have also been important in terms of reducing the vulnerability of people as a result of droughts.

With the importance (by government and development agencies) given to major crops like rice, maize, and wheat, other minor crops have been neglected. There has not been enough research to increase the production and improve the productivity of these crops. Moreover, due to the influence of the dominant culture of rice-eating, people are now increasingly consuming rice, even though it could be of poor quality and nutrients due to the distance and time it takes in transportation. The demonstration effects of a rice-consuming culture brought mainly by the government staff coming from the plains has created a new mind-set among the local people that rice is a better food than the local foods made from minor food grains. There is a general feeling that young people would not know much about these

minor foods and uncultivated foods available in forests, pastures and wetlands. This knowledge is slowly being lost.

6.7. Inaccessibility and politics of transportation of food grains

Lack of accessibility to food grains and other items is a problem in Karnali, as it is difficult to make food physically available in the region. The extent to which Karnali zone has benefited or been disadvantaged due to lack of easy accessibility has not been fully understood. The death toll in recent times due to lack of food easily convinces people to expand the road network. On the other hand, there are also some concerns about people losing their livelihood after the construction of road networks. It is argued that the competitive advantage of the region and the people's capacity to take advantage of the road should be increased before having easy accessibility to the external world through road. People should be able to offer their produce to the market and have the ability to purchase consumables from their income. Only then can the road network become a driving force in reducing poverty.

The issue of accessibility has also come to the attention of policy-makers because of the large expenses required for the transportation of food to the districts. Until now, all the grain is air-lifted, and the government (or NFC) pays all the cost of transportation. It requires about Rs 40 to 60 (depending upon the district) to transport a kg of rice which actually costs Rs 20 in the markets of Tarai. If the subsidy is not given, local people will not be able to purchase the food, as their purchasing power is low and they do not have cash income. The subsidized food is provided at the rate of 15 to 20 kg to a household in a month or a week depending upon the local conditions. In sum, government invests about Rs 250 to Rs 300 million for the transportation of rice to Karnali zone.[2] This amount

[2] Based on personal communication with Chief, Department of Sales, Nepal Food Corporation

is directly paid to the airlines, and a large part of it has gone to other countries. Local people had no access to this government revenue and, at the same time, suffer from the lack of income sources. The main issue, thus, seems to be identifying or exploring new ways to involve local people in the transportation of food so that they can retain the funds that is now spent on airlines. It was also reported that government requires Rs 350 million to provide food at the rate of 10 kg/month to the ultra-poor in Karnali zone, which now constitute 19 percent of the population.[3] In various reports based on field studies and surveys with the local people, it is revealed that the food could be supplied to the destination at 50 percent of the present cost (air-lifting) by using local means of transportation like sheep, goat, donkey and people (Khadka 1999). In the recent past (August 2000), the government was pursuing a way to supply food through vehicles using the Tibetan road. This seemed to reduce the transportation cost and also create employment opportunities for local people. When the government considered this option, some airlines air-lifting the food had also reduced their prices. For example, Cosmic Air earlier transported rice with a fee of Rs 47 per kg to Simikot. But then it reduced the charge to Rs 27 when the option to supply food by road was explored. Similarly, the same airline has reduced the cost by Rs 10 per kg for air-lifting food to Kulti in Bajura. In 2001, the government had given contracts to trucks for supplying food via Tibet to LoManthang in Mustang, and Dho in Dolpa at the rate of Rs 19.19 and Rs 49 per kg respectively. In the past, it cost Rs 32.45 per kg to supply rice to Lomanthang. Trucks directly go to Lomanthang, but for Dho, animals were to be used to transport grains from the Tibetan border (Rauniyar 2057 v.s.: 20). But this option also did not work because of various obstacles in the Nepal-Tibet border.

Regarding accessibility, there are two broad opinions expressed in newspapers. One opinion argues that it is the lack of road that is

[3] Based on personal communication with Chief, Department of Sales, Nepal Food Corporation

causing the underdevelopment in Karnali. For example Risal (2057 v.s.) feels that there is so much wastage of resources which have supplied for the development of the zone because of the lack of a road. It is usual to find many construction items being piled up in Nepalgunj and material like cement has become useless in most cases. Moreover, some of the heavy equipment cannot be carried by helicopter or airplane. Further, air transportation is very expensive. Of the total costs allocated for Karnali (Rs 490 million in 2001), Rs 160 million was required for the transportation of rice and salt. Products of the region like apples and herbs cannot reach the market because of the lack of roads. In one case, when the goods were supplied via Tibet from Kathmandu to Hilsa, it cost Rs 13 per kg. From there, it had to be carried by animals or porters, which cost another Rs 9 per kg. Altogether, it cost Rs 22 a kg to transport goods from Kathmandu to Simikot, which was Rs 33 less per kg as compared to air transportation. Therefore, in terms of cost effectiveness, it is important to have road accessibility as quickly as possible.

The other opinion considers that a lot more has to be done before the road is constructed (Shah 2057 v.s.: 14), otherwise it would cause greater harm to people's lives. The road is considered just an opportunity. Apart from providing opportunities, the road will also bring new wants and demands. If there is insufficient production of goods and commodities for export, these wants and demands will not be fulfilled. People will be tempted to sell all the assets they have. In the absence of capacity to exchange local goods for the imports, there will be trucks full of goods and commodities going towards Karnali, which will become empty in their return trip. Even now, it is reported that products like instant noodles and biscuits have replaced the traditional snacks of local grains. This has drained off the savings of the people. Children have been reported to have stolen rice and millet from home, and then sold it to get the cash required for watching TV and video films. It is, thus, argued that before constructing the road, people should be made capable to

grow crops for sale on a professional basis. In the case of Karnali, apple and mushroom cultivation, animal husbandry, seed production, herb processing and marketing are considered as enterprises that could be developed on a competitive basis so that people will have enough money to buy goods and commodities brought by road.

Despite all these opinions, the government expressed commitments in the mid-1990s to complete the much-publicized Karnali road (210 km of which 86 km has been completed) by 2002. But the way it was constructed, it was argued that it would be completed only in 2010. Again in the early 2000s, government prioritized the completion of this Karnali highway. Considering the importance of the road and the delays in its construction, government advised the army in 2005 to complete the road in two years. In general, the army had been efficient in opening tracks quickly in other parts of the country. With this experience, the government had entrusted the army with the task of opening the track in the difficult part of the Karnali highway. When the Maoists attacked and killed a large number of army personnel (about 120) stationed at Pilli in Kalikot because they were constructing the road, this task received a severe setback. The road work had again slowed down, though the work continued. Local people were also used for the construction of the road. By mid-2007, a track was opened and a few vehicles reached Jumla. But the road is still not fully operational. Despite this, a few vehicles run on this road, taking risks. When some trucks reached Jumla with goods and commodities, the prices of goods there reduced almost by half, while economic activities increased remarkably. But the landslides and difficult terrain has prevented large vehicles from using this road.

According to the government policy, the areas touched by the road will not receive subsidy in transportation of food. But as the road is still not functional, this subsidy may continue for some time. As of now, the provision of subsidy has become a burden to the government to be carried in perpetuity, as it has become a political issue. Political parties now promise more aid in order to gather votes.

The future of the politicians from that zone will end if the subsidy is not continued. On the other hand, the continuation of subsidized food will not be conducive for promoting locally feasible ways of increasing production and improving food security situations. Even if food aid has to be provided, it should be channeled in such a way that it provides income opportunities for the local people. The Agriculture Perspective Plan (APP) has made no provision for such subsidy in transportation of food grains. As APP is under implementation, NFC is under pressure to reduce food subsidy. Accordingly, it has made plans for the closure of depots in the remote areas. Karnali zone has also been affected by this policy even if there is no road to supply food. Moreover, given the vulnerabilities of the region, government should be in a ready position to assist during crisis. In future, plans should be oriented in that direction.

6.8. Liberalization policy and reduction in the subsidy

NFC has reduced food distribution depots from 135 to 67 with effect from 1st of January, 2000. Most of the 68 abandoned depots are said to be located in areas accessible by road, and have thus become defunct because transportation facilities are now available. But some of the abandoned depots are located in remote areas. Until now, NFC has been a playground for the politicians. It spends about Rs 300 to 400 million in the transportation of food to remote districts. In 1999, the Ccorporation's financial position weakened because it was forced to purchase wheat from the government. Government's directive to NFC to sell a part of its wheat to the Salt Trading Corporation (STC) gave a financial blow to NFC, further weakening its financial position. The directive was to sell 10,000 mt of its wheat stock at the rate of Rs 775 per qt., whereas the market price was Rs 950 per quintal (qt). This led to a loss of Rs 10 million. NTC had tried to use its political clout to influence the decision[4]. The number of branch offices has also been reduced to 19 from 26.

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[4] The Kathmandu Post, 3 June 1999.

Though it is said that Maoist affected areas will get privileges, two depots have been withdrawn from Jajarkot district. Even depots in remote districts, where road accessibility has not improved like Jumla, Humla, Mugu, have been withdrawn. Food depots were withdrawn from 29 districts. The opinion of the Ministry of Supply was that food depots were removed from the areas which have vehicular access due to road networks, which have improved living standards, and from where food has not been sold. But MPs from rural and remote districts do not buy this idea. Former MP of Jumla district opines that "if government cannot arrange additional food, thousands of Jumlis could die of hunger". (Gaunle: 2056 v.s.:22)

The problem is that food supply is linked with politics. Most of the depots have been withdrawn from areas where either opposition (or smaller) parties or weaker candidates of the ruling party have won the elections. Strong party members are able to retain food depots in their constituencies. Food supply in remote districts is thus guided by politics, and it has solely been so because of the need to gather votes for the prominent candidates of the ruling parties. If food subsidy is not given, it would end their political careers.

Until now, food supplied in remote areas has gone mainly to the army, police, teachers and government employees. They too will now face difficulties in getting food.

Decision to remove the depots was agreed with Asian Development Bank (ADB) two years ago in 1999 while agreeing with the Bank's condition to get the second agricultural loan of U.S.$ 50 million for 20 years to implement APP. Since then NPC has prepared a proposal to reduce the number of depots and to restructure the NFC. Altogether, 36 depots had to be removed from a total of 77 depots. Furthermore, only 19 branch offices and 6 zonal offices would remain from a total of 49 branch offices and 11 zonal offices. Government used to provide a subsidy for transportation to the amount of about Rs 200 million per year for the transportation of 100,300 qt food to remote regions. In 1998,

NFC supplied about 5000 mt more because of the high demand at the cost of Rs110 million. But the government provided only Rs 50 million. NFC is also reducing its staff, but the worker union seems stronger, and the work in this regard has not gone smoothly (Gaunle: 2056 v.s.:22). In general, NFC is reducing its operation in line with economic liberalization policies. Lack of efficiency is also considered as one of the reasons for reducing the role of para-statal organizations like NFC. The total supply of food by NFC reduced from about 70,000 mt in the mid 1980s to about 20,000 mt in the early 2000s. In the three year Interim Plan (2008–2010), NFC has a plan of supplying about 30,000 mt, i.e. about 10,000 mt per year.

The decision to reduce the food depots has also led to problems in remote areas. Food scarcity in remote districts increased because of cuts in food depots (*Kantipur* 2056 v.s.). 14 depots have been removed in areas which were not accessible by road, though only those depots where transportation facilities exist had to be removed. Some politicians, especially from the remote areas, were not happy at this decision of removing food depots from remote areas. The General Manager of NFC, in answering to the Parliament's Public Account Committee, said that the government has reduced the activities of NFC; it is also difficult to reduce the staff. The secretary to Supply Ministry said that the decision to remove the depots and their identification was done in a hurry. As a result, some of the essential depots have also been removed. As the ADB wanted to have the report as quickly as possible to renew the 'agricultural loan' (US$ 50 million) to the country, they had to prepare a report without studying the consequences of removing the depots.[5]

Immediately after the withdrawal of depots and the reduction of food aid, various crisis scenarios were portrayed by the media. These crises were the result of the vulnerable conditions of Karnali region. This is partly linked with the agro-climatic condition and

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[5] 'Food Crisis in Remote Districts because of Cuts in Food Depots (in Nepali)', Kantipur Daily, 24 Poush, 2056, p. 10.

difficult terrain. For example, in 2000, another famine was predicted in Jumla. This happened because of drought and a disease called 'blast' which attacked the paddy crop. The lack of snow fall in the past two years has led to drought. The food depots in some places needed a day's walk to reach them, and a depot in Dhapa which used to cater to 11 VDCs was removed. The district needed 32,000 mt food, but the government supplied only about 16,000 mt even after a hue and cry. To improve the situation, the politicians of the district met prime minister Krishna Prasad Bhattarai and other officials in high position.[6] During the same period, about 40,000 people in Humla were suffering from food crisis because of low production due to drought and reduction in food aid from NFC. The choice for them was to leave the village and settle elsewhere permanently or migrate to India for work.[7] A report in Humla stated that more than a dozen women protested by sitting in front of the food-depot. They had spent the whole day in a queue for food, but the food was all distributed and they did not get food. They had spent a day to come to the depot for 5 kg food (per person). Now they could not return home without food as their family members had no food to cook (Rokaya 2061 v.s.).

In the light of the growing food deficit and the problem of dependency on external sources, the government had been proposing new plans for Karnali from time to time. For example, the past emphasis was on horticulture, especially on citrus fruits and apples. The initiative was introduced with much fanfare. But as access to market was difficult because of lack of roads, farmers started cutting down these trees. Introduction of vegetables became popular, especially in Jumla. But this again was confined to domestic consumption only. In the light of the food crisis in late 1990, the government introduced a new program in 2001 to increase

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[6] 'Karnali Kshetra ma Anikal ra Mahamari Dohorina Ashanka (A suspicion of repeating of famine and epidemic in Karnali)', Kantipur, 29 Pausha 2056, p. 1.

[7] 'The Plight of Humla', Kantipur, 2054, 28 Chaitra, p. 4.

production in Karnali, and to make the region self-sufficient in food. A fund of about Rs 40 million was earmarked for developing a special plan and for its implementation. The internal production has become so low to meet the requirement that only 4 months food requirement could be met from internal production. The problems identified were again the lack of transportation facilities, limited irrigation, lack of grazing facilities, appropriate technology for production, and lack of markets for local produce like apple. Considering these problems, the program focused on income generation, fruit production and processing, off-season vegetables, vegetables seeds, and increase in the production of meat, egg and milk. Further, emphasis was laid on generating local employment opportunities and reducing emigration. About 50 percent of the expenses in irrigation would be provided as subsidy on community sponsored projects. The program also emphasized the production of quality seeds in the farmers' fields so that they would not be imported.[8]

In the Interim Plan (2008–2010), Karnali region has been redefined to include other districts and part of the districts (in the mid-west and far-west region) facing similar problems. This has already been discussed on Chapter 1. Now the concept of 'zone' has been given up in favor of a concept of Karnali as a region as defined traditionally. The activities in this plan are again the same as emphasized in the past. But if there is an improvement in the Karnali highway leading to its efficient functioning, there is optimism among the local people that things could improve significantly. Karnali could then once again become a prosperous region. For this, various livelihood opportunities need to be identified. Those in which Karnali has a competitive advantage should be strengthened to get maximum benefit of the road. Even if Karnali does not become self-sufficient in food, there are other ways (through exchange entitlements) that

[8] 'A Special Plan to remove hunger problem in Karnali in this budget', Kantipur, 29 May 2000, p.1.

the people of Karnali can have access to food. The amount given as subsidy on food transportation needs to be channeled towards building a better road and strengthening local capacity for governance and development. The proposed federal nature of state restructuring may create another and more powerful administrative or political region that, in all likelihood, will more conducive for the development of Karnali. This will also make politicians shift their emphasis on food aid towards appropriate social and economic planning for the region and towards making it internally self-sufficient to meet challenges including access to food.