

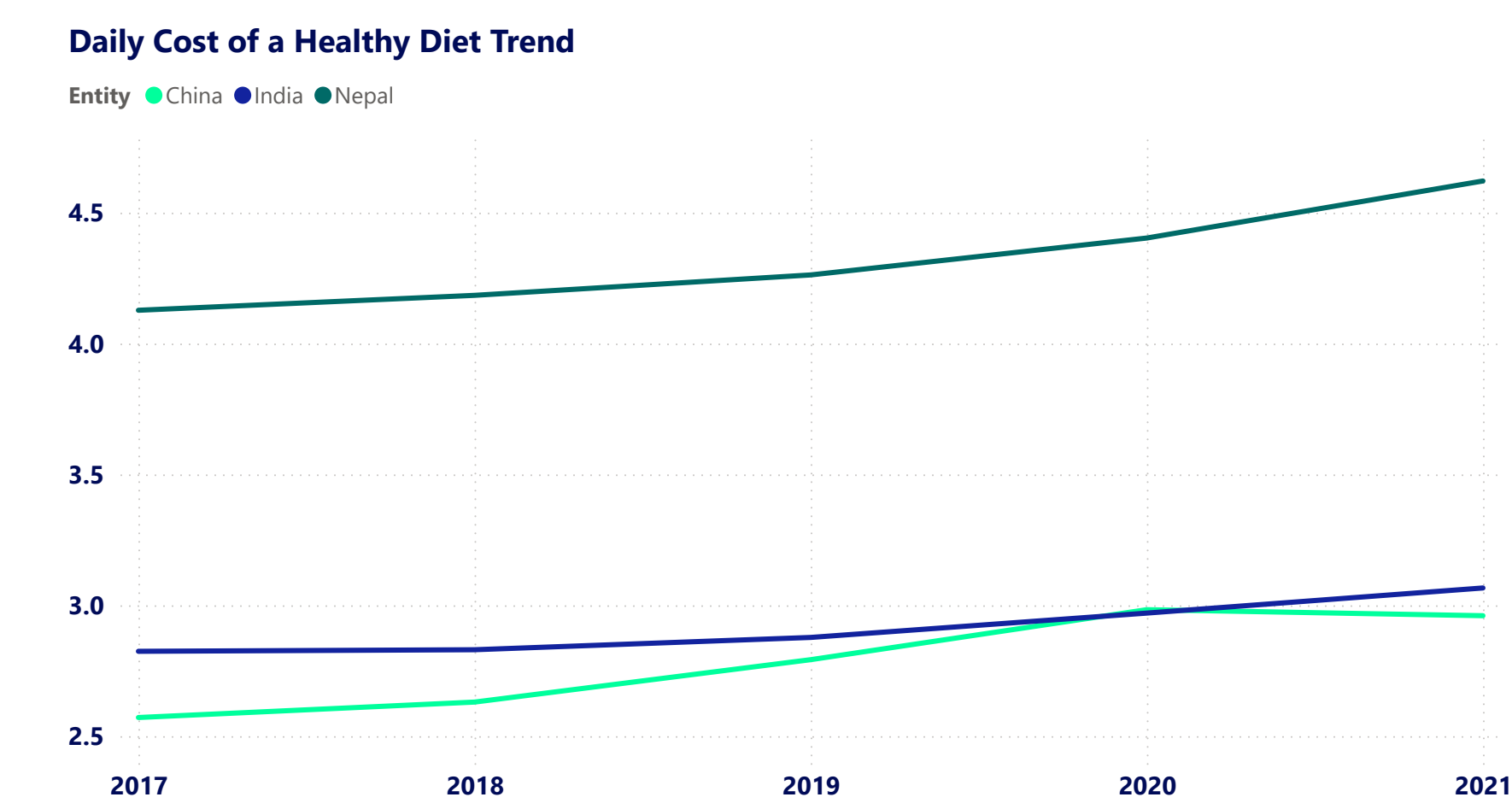
The Impact of Food Prices on Health in Nepal

2017-2021

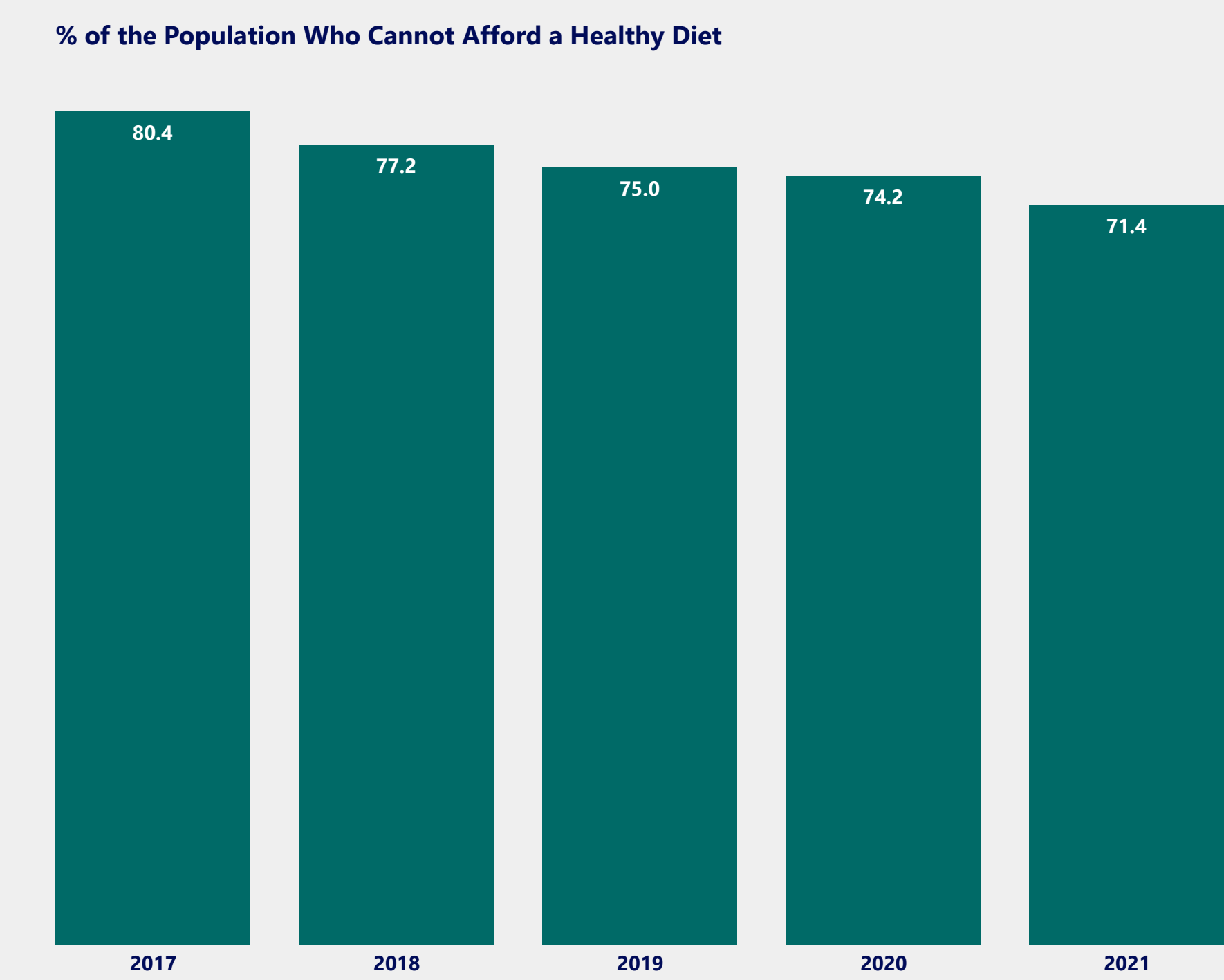
Affordability

Health

In Nepal, rising food prices have made it challenging for many individuals to afford nutritious diets, increasing risks of malnutrition and diet-related health issues. High costs of essential foods like fruits and vegetables have pushed low-income communities towards cheaper, less nutritious options. This case study aims to explore the relationship between food prices and health, providing insights and solutions to enhance food security and public health outcomes from 2017 to 2021.



The daily cost of a healthy diet in Nepal is quite high compared to its neighboring nations. From 2017 to 2021, the daily cost of a healthy diet increased progressively. This increase occurred across all the countries in the region. However, Nepal's cost remains relatively higher than that of its neighbors.

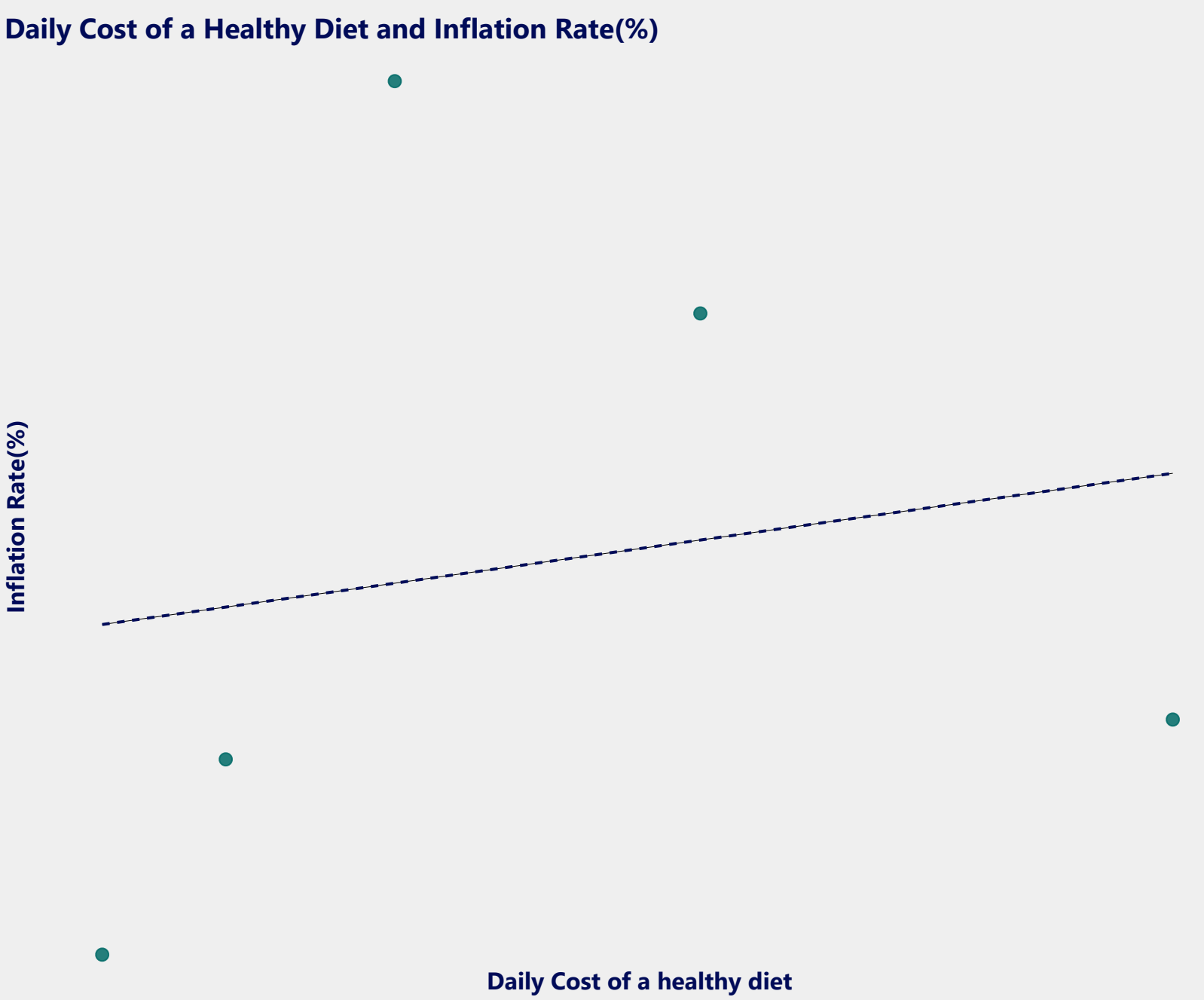
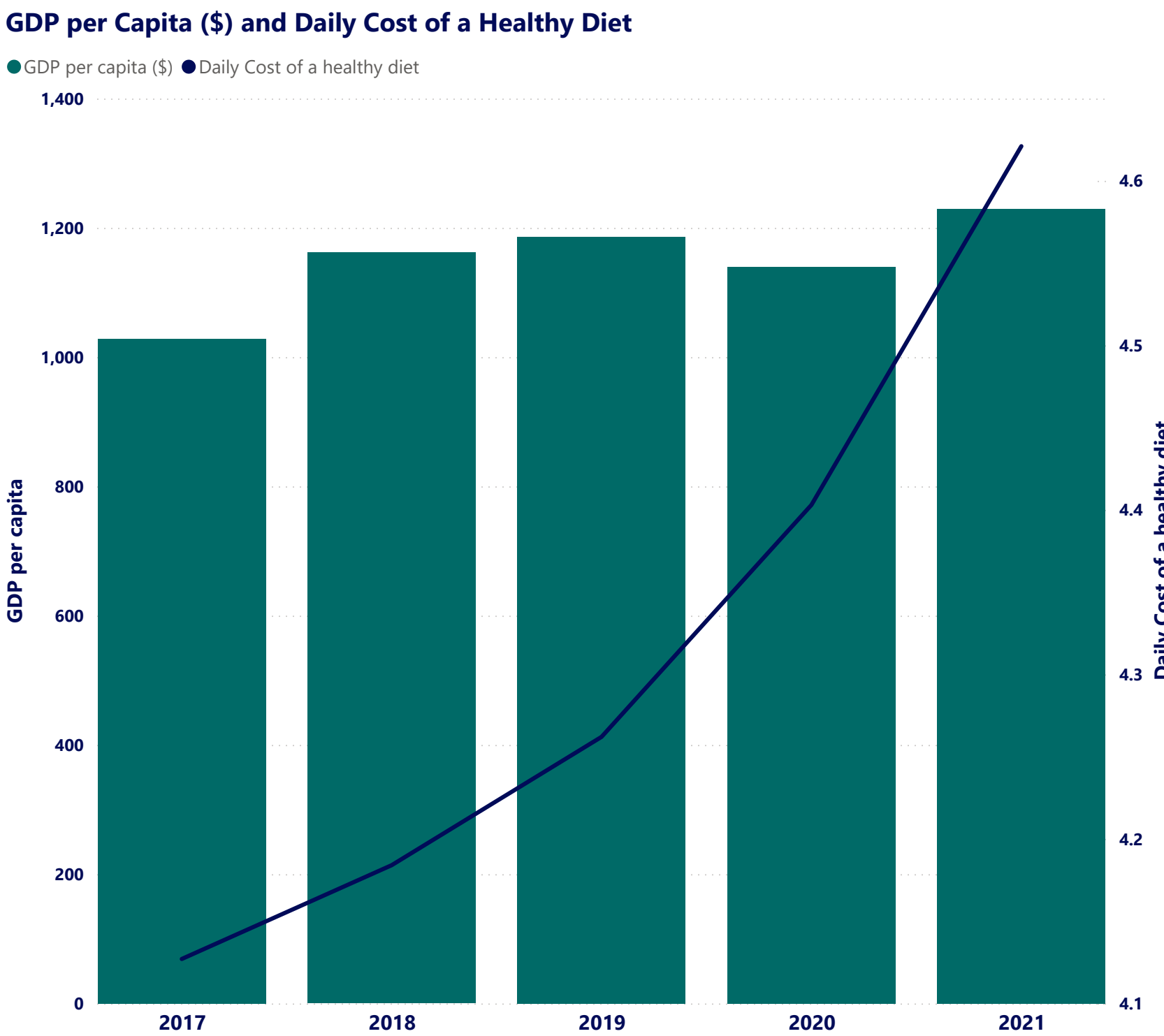


In Nepal, the percentage of people who can afford a healthy diet has steadily declined over the years, even as the daily cost of maintaining such a diet has progressively increased.

This trend reflects a growing disparity between rising food prices and the income levels of the population, making it increasingly challenging for many to access nutritious foods.

Despite heightened awareness of the importance of healthy eating, the escalating daily costs have outpaced the purchasing power of Nepalese households, aggravating issues of food affordability and access to balanced nutrition across the country.

Despite the drop in GDP per capita in 2020 due to COVID-19, the daily cost of a healthy diet in Nepal continued to increase. This shows that rising food prices were driven by factors like inflation and supply chain issues, not just income levels. The trend suggests that as GDP per capita increases, the daily cost of a healthy diet is also likely to rise. This could make it harder for many people to afford nutritious food, even as the economy improves.



The correlation between the inflation rate and the daily cost of a healthy diet is positive, meaning that as inflation increases, the cost of maintaining a healthy diet tends to rise as well. This relationship suggests that rising prices contribute to higher food costs, making it more difficult for individuals to afford nutritious meals.

However, the correlation is not particularly strong, indicating that other factors beyond inflation also play a significant role in determining the cost of a healthy diet.

Therefore, while inflation is a contributing factor, it is not the sole driver of rising food costs.

Breakdown of Employment in Nepal

Year	Daily Cost of a healthy diet	% Employment in agriculture	% Employment in industry	% Employment in services
2017	4.13	63.74	16.05	20.21
2018	4.18	62.99	16.39	20.62
2019	4.26	62.28	16.70	21.02
2020	4.40	62.16	17.11	20.73
2021	4.62	61.91	17.25	20.84

Over the years, there has been a significant shift away from agriculture, with more individuals transitioning into industry. As a result, the reduced number of people working in agriculture has led to lower food production and supply. With this decline in supply, the daily cost of a healthy meal has steadily increased. The rising cost of nutritious food has made it more difficult for many individuals and families to maintain a healthy diet. Consequently, the combination of reduced food production and higher prices has created a growing challenge for accessing affordable, nutritious meals.

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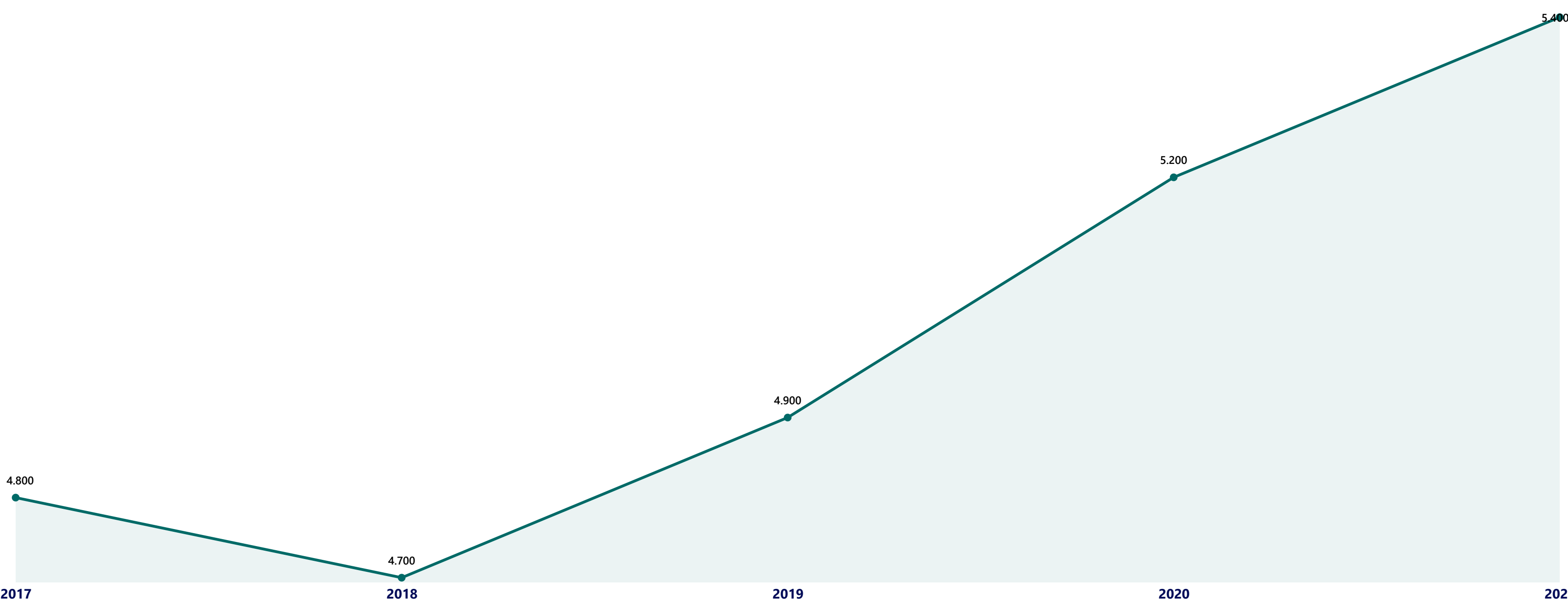
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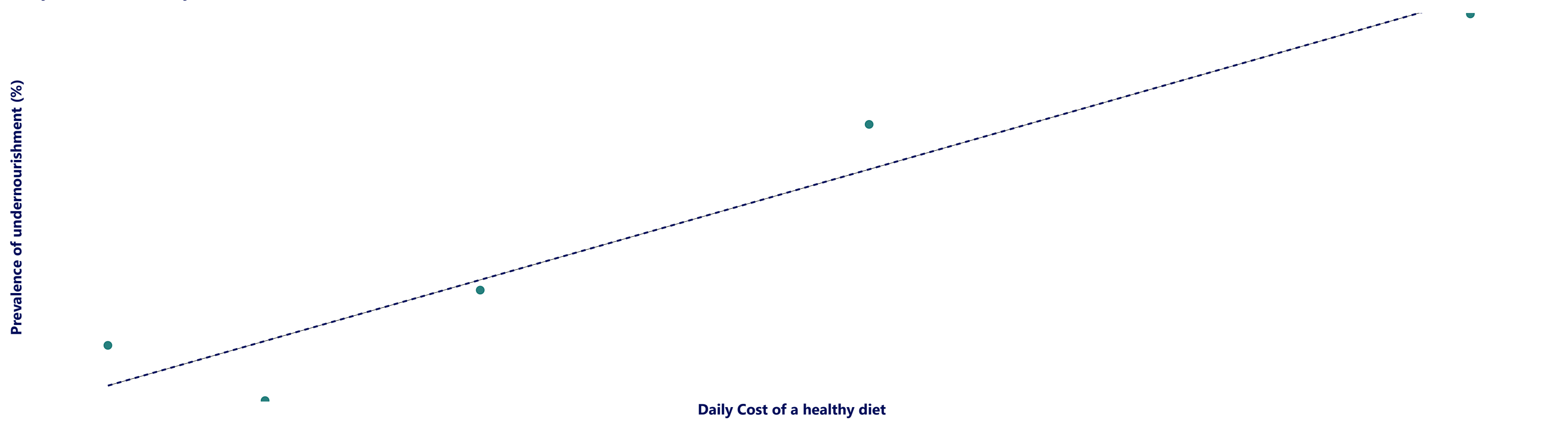
Health

Despite a steady increase in the cost of a healthy diet, the prevalence of undernourishment in Nepal initially declined slightly from 4.8% in 2017 to 4.7% in 2018. However, this trend reversed, with undernourishment rising sharply to 5.4% by 2021. This shift shows that the rising cost of a healthy diet has contributed to worsening nutritional outcomes. As the cost of nutritious food increased, more individuals struggled to afford a balanced diet, leading to higher rates of undernourishment.

% Prevalence of Undernourishment



Daily Cost of a healthy diet and Prevalence of undernourishment (%)

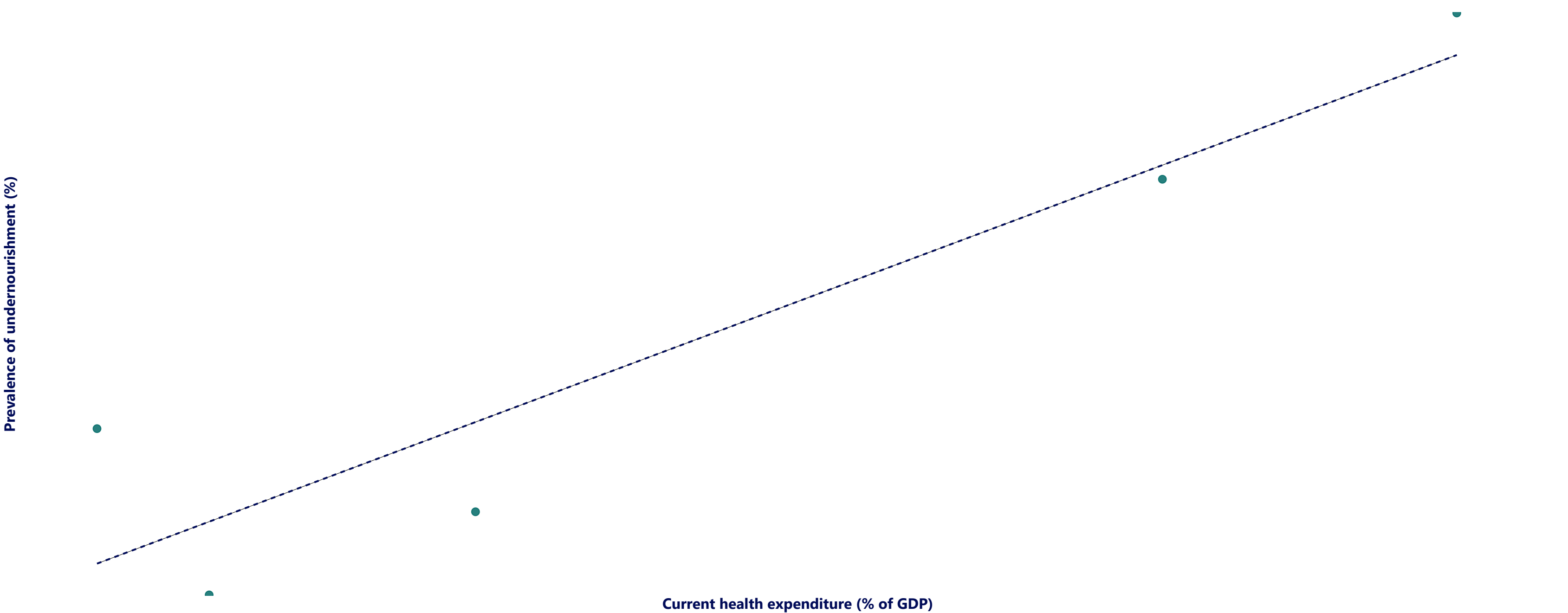


The rise in undernourishment in Nepal has resulted in greater investment in health expenditures to address the increasing prevalence of illnesses related to poor nutrition. As more people struggle to afford a balanced diet, the incidence of health issues linked to undernourishment, such as weakened immune systems and chronic diseases, has grown.

In response, the government and health organizations have been forced to allocate more resources to healthcare services and nutritional programs.

From 2017 to 2021, health expenditures in Nepal increased by 0.7%, reflecting the heightened need for medical interventions and public health support aimed at mitigating the impacts of rising malnutrition rates.

Current health expenditure (% of GDP) and Prevalence of undernourishment (%)



Recommendation

Public Awareness Campaigns on Healthy Diet

It is recommended to launch public awareness campaigns to educate the population on the importance of a healthy diet. These campaigns should use various platforms, such as social media, traditional media, and community outreach, to reach a broad audience.

By partnering with healthcare professionals, the campaigns can provide practical tips on affordable and nutritious eating habits. This will help individuals make informed food choices and improve overall public health outcomes.

Leverage Market Basket Analysis to Improve Food Price Affordability in Nepal

Utilizing Market Basket Analysis can help improve food price affordability in Nepal by identifying key product associations and purchasing patterns. By understanding which food items are commonly bought together, businesses and policymakers can optimize supply chains, reduce waste, and improve pricing strategies.

This approach can also support the creation of more affordable, healthy food brands, making nutritious options accessible to a larger segment of the population. Additionally, insights from this analysis can inform policy decisions aimed at stabilizing food prices and ensuring that healthy food options are available at lower costs, particularly for lower-income households.

Investigate Employment Challenges and Increase Investment in the Agricultural Sector

A comprehensive investigation should be conducted to understand the reasons behind the declining employment in the agricultural sector. This will help identify key factors such as low wages, limited access to resources, and poor working conditions that may be driving people away from agriculture. Based on the findings, targeted policies can be implemented to address these challenges and improve retention within the sector. Furthermore, it is crucial to increase the allocation of funds to the agricultural sector in the country's budget, ensuring adequate investment in infrastructure, subsidies, and support for sustainable farming practices. This increased funding will not only improve productivity but also contribute to food price affordability and long-term agricultural development.