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Changing food-chain and food security in Nepal

Summary and conclusion of the study

This study is about the corporate control on food chain 'from the farm to the table' in Nepal. The study aimed at finding the extent of use of 'corporate or company food' by the households and the replacement of traditional homemade foods by these foods, which are often available in packaged and readymade form and produced from the companies.

In Nepal also, the use of 'company' food is growing as food processing part is slowly been industrialized- the phenomenon seen all over the world. Moreover, use of processed food from large multinational companies is growing, particularly in urban areas and so is the purchase of food from large supermarkets. The book discusses the impact of these new changes in the control of food chain by large industries and multinational companies, and then seeks to find out, using the data and information obtained from household survey, the extent of use of these foods by the people of different locations, wealth categories and cultural groups. The use of advertisement to increase influence of corporate food

sector on people's consumption habit has also been explored in this study.

1. Existence of corporate sector in Nepal's food chain

Within the country, there is no strong existence of 'corporate sector in business and industrial arenas including the food. But the use of food produced from corporate sector has been growing. A few food industries of the country were also found to have collaboration with outside multinational companies. This is essentially so in soft-drinks, instant noodles, fruit juice, alcohol, and confectionery. About 20 % of the large industries in the country are in food sector, but only a few produce 'ready made' food. Since the last 15 years the production and consumption of these ready made foods have been growing. Similarly, the import of food is growing. Because of influence of imported food and less profit from the farming enterprise, farming has declined substantially. Importation of dry milk and cooking oil has been particularly detrimental for the farmers, especially small farmers.

2. 'Readymade corporate food' in Nepali market

It was found difficult in the course of this study to find out how much food in the market is from the corporate sector. Accordingly only a small study was conducted in the case of imported milk and oil. The study found that it is cheaper to make a glass of milk from dry imported milk than to buy fresh or locally produced milk in the market. There were six main multinational companies from which these milk packets were imported. In case of oil, there was variation in the price, but doctors' recommendation to use cholesterol free oil was found helpful in increasing the sale of imported oil from multinational companies.

3. Media's role in increasing the consumption of corporate food

The study of advertisement in media led to the following conclusion:

- Advertisement about the corporate readymade food has been growing. About 60 % of the commercial advertisement is about such food.

- Food advertisement has been targeted to the children and women.
- Children seem to be influenced by the advertisement. They were found to be concerned with the brands of the readymade food.
- Parents seemed not to take food advertisement seriously and did not consider it influencing their decisions on food purchase, but were pressed by the children to purchase food according to the advertisement. Rural households also considered that since 'packaged food' is a modern food, they offered it to valued guests.

4. Household survey about the use of corporate readymade food

A household survey was conducted with 405 households from eight districts including both urban and rural areas. The survey was conducted covering different geographical belts and social and cultural groups. The main findings from this survey are:

4.1. Changes in the consumption pattern

Food consumed by people was broadly classified into three groups: homemade food, readymade food and mixed food (mixture of above two). Here, the corporate food represents the 'readymade food'. All the respondents, who were mostly household head, claimed that they used only homemade food when they were children, i.e., about 40 years ago. This was a common finding for all regions and people. Even now, all respondents expressed that they use homemade food for the morning and evening meals, but for the breakfast and snacks they use the readymade food or a mixed food. Therefore, the influence of corporate sector has been mainly on 'breakfast and snacks'.

All respondents agreed that there is significant change in the food consumption pattern in the past and now. The main change seems to have come about 10-15 years ago. This is also a period of liberalization in the country. The policy of liberalization led to the influx of corporate food, establishment of food processing industries and reduction in the tariff rates.

Food in Nepal has been linked with certain values and is also linked with religion and social prestige. Valued guests are given valued food. Considering this fact, questions were asked as to whether they give the same food to guests as in the past, a significant proportion of respondents expressed that they offer corporate readymade food because it brings prestige as it is a modern food. Again this is linked with advertisement and influence on people's thinking. Similarly, these foods are also given to old people, sick persons and children as gifts, but mainly to children. There was also a conception that readymade food is healthy and thus is preferred for the sick people.

4.2 Purchase of readymade food, expenses and responsibility

People were found to spend more still on food that needs to be prepared at home. But the expenses on readymade food were also found to be growing. The purchase of food was done by the joint decision of the male household head and his wife or by the former only. Therefore, male had control on decision on food purchase. But there is also a difference in the food purchased by a male and female. The later was found to buy less readymade foods, but more of that which provides full meal to the family.

Use of readymade food was considered to have saved workload and time on the part of women, who are mainly responsible for the preparation of food. This response was obtained in different regions and groups of people.

4.3. Attitude towards readymade corporate food

A large majority of respondents reported that they use readymade food because of the interest of the children and young members of the family. Moreover, they also blame readymade food for the decline in the health of children. The other reasons for buying readymade food were: easy to prepare and time saving. The parents seem to have the knowledge that readymade foods are not healthy. They also considered these foods as expensive as compared to homemade foods. But despite this, they purchase them under the influence of children and young members of the family.

5. Conclusions

Major conclusions of the study are:

- Use of readymade corporate food has been growing, but mainly as snacks.
- Habit of using the mixed type of food (readymade and homemade foods) is more pervasive.
- People have knowledge about the expensiveness and unhealthy nature of corporate readymade food, but they buy them for various reasons like pressure from children and showing off to people. Other tangible benefits they experienced were easy to cook and less burden on women.
- The thinking that 'readymade food' reduces burden on women was widely prevalent. But people were not that sensitive on the issue that illness and malnutrition among children were due to readymade foods and that it will increase burden on the families. Civil society need to take this issue to counter the propaganda of the corporate sector that it reduces burden on women.
- Use of readymade food to be purchased from the market seems to change the gender relations within the family. Readymade foods need more cash income and have to be purchased, which means greater dependence on outside sphere. As women's participation in this out-of-the-house sphere is low, their control and power on food has been reducing. Given that there is a direct link between women's autonomy to produce/purchase food and nutrition in the child, the influence of corporate food will also lead to gender discriminations and malnutrition.
- The above conclusions lead to a question as to how far increased use of corporate food is responsible for the malnutrition in Nepal. It is difficult to answer from this study as nutrition depends on many factors, one of which could be the use of readymade foods. In Nepal, children nutritional standard seems to have increased from mid 1970s to mid 1990s. Since then, there have been some mixed results. For example, there is some progress in stunting, but there is

stagnation in other indicators like 'underweight' and 'wasting'. How far is this due to use of readymade food? This study cannot answer this directly. But given that there has been some significant reduction in poverty (by 11 %; from 42 % to 31 % from 1996 to 2003) and increase in income, one would assume that there should be marked improvement in the nutritional standard of the children. In this sense, use of 'ready made food' might have been playing some role in reducing the progress in children's nutrition that would have come from increased income and reduced poverty levels.

Globalization, liberalization and urbanization are linked with growing use of corporate readymade foods. Nepal, even though, does not produce much readymade food on its own, these are imported from the global markets. In urban areas, the number and size of supermarkets have increased rapidly in recent times. Multinational Corporations have links with these supermarkets. It is through these trade networks that corporate food is entering into Nepali society. The advertisement is one main reason for encouraging the children to use these food products. Therefore, it is a high time to reduce the use of corporate food before it gets into the habit of many people.