Cost and affordability of nutritious diets bulletin





Issue 2—December 2020

Focus on locust- and flood-affected regions of Amhara and Oromiya

Key messages



Desert locusts and flooding in several regions of Ethiopia have destroyed crops, livestock and infrastructure, and are compromising food availability and access for poor households.



The cost of a nutritious diet has been steadily rising in Amhara and Oromiya regions. Over 93% of households would be unable to afford one for all household members.



The PSNP transfer and an additional cash transfer of Birr 1,000/month would cover half the cost of a nutritious diet for a household of five members.



These evidence-based findings are for government and programme implementers to use for early warning and programme design purposes.

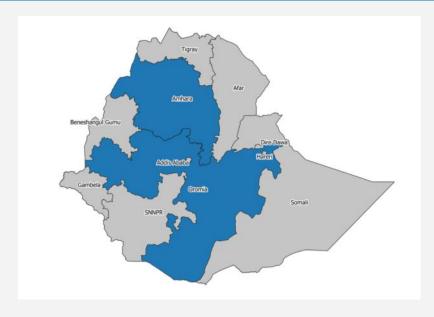


Fig 1: This bulletin presents analysis from Amhara and Oromiya regions.



Desert locusts and flooding are impacting food availability and access

Since June 2020, high numbers of desert locusts have been present in several regions of Ethiopia. As opposed to 2019 where locusts arrived at the end of harvest, this year infestation has occurred during the maturation of *meher* crops, resulting in large-scale crop and pasture losses.¹

In the same period, heavy rainfall and severe flooding in eastern Amhara, eastern and central Oromia and other regions have caused loss of crops, waterlogging of crop fields and pasture, livestock deaths and infrastructure damage. The flooding has caused loss of livelihoods and displacement of many families.¹

Together with the effect of the COVID-19 pandemic, high inflation, and conflict-related displacement, these drivers are expected to continue to negatively affect access to food via markets and own production into 2021.¹

1 FEWS NET Food Security Outlook Ethiopia—Oct 2020



The cost of a nutritious diet has been rising in 2020

The cost of a diet that meets nutrient needs is more expensive than one that meets calorie needs only, as highlighted in <u>issue 1</u> of this bulletin.

A diet providing enough macro- and micronutrients would cost on average 3.4 and 3.8 times more than a diet meeting energy needs only, in Amhara and Oromiya respectively.

The cost of a nutrient adequate diet has been rising in 2020. Between January and October 2020 the cost of a nutritious diet rose by 17% in Amhara region and by 16% in Oromiya region². (See figures 2 and 3).

4500 4121 Monthly cost of the diet for a household 3948 3882 4000 3759 3545 3525 3483 3360 3500 of five individuals (ETB) 3000 2500 2000 128 130 131 1500 121 109 101 1018 992 97 972 1000 500 JAN FEB MAR APR MAY JUN JUL AUG SEP OCT ■ Energy Only diet ■ Nutritious diet

Fig 2: Trend in monthly cost of a nutritious and energy-only diet in Amhara region

What's in a nutritious diet?

The Cost of the Diet software used in this analysis calculates the lowest cost of a diet that meets energy, protein, fat and micronutrient requirements based on locally available foods and local consumption habits.

Foods that make up this hypothetical diet therefore vary depending on what is available on the market and the price, but the resulting modelled diet tends to include a range of food groups including animal source foods (meat, eggs and dairy), fruit and vegetables. By contrast, an energy only diet meets only calorie (and not vitamin and mineral) needs. It often consists of one staple, such as teff, wheat, maize or sorghum, in enough quantities to meet calorie needs.

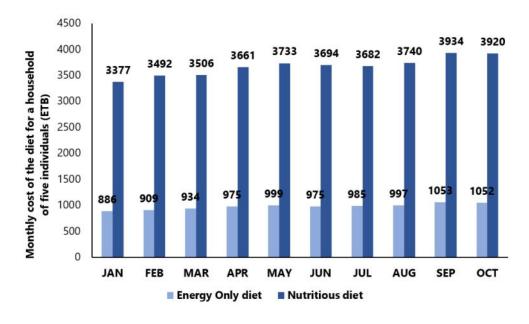


Fig 3: Trend in monthly cost of nutritious and energy-only diet in Oromiya region

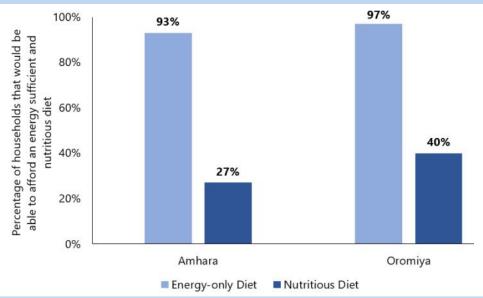


Most households would be unable to afford a nutritious diet for all members

Affordability of a diet depends on two factors: the cost of the diet and the income a household has at its disposal. Modelling using Cost of the Diet (CotD) software and household expenditure data estimated that while 93% of households in Amhara and 97% in Oromiya would be able to afford an energy-sufficient diet, only 27% and 40%, respectively, would be able to afford the foods required to provide a nutritious diet for all household members³.

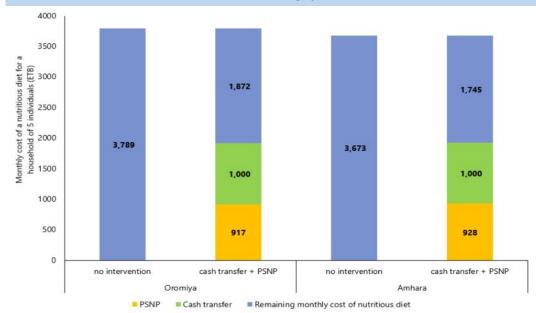
Affordability estimates are based on household food expenditure data from the Ethiopian Socioeconomic Survey of 2015-16. However, since many poor households are not only facing high staple food prices but also lower than typical income due to the effects of locusts, the COVID-19 pandemic and conflict, ¹ affordability could be expected to be worse in 2020.

Fig 4 (right): Affordability of energy only and nutritious diet for the two regions



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Cash transfers could cover some of the gap between the cost of a nutritious diet and what households can afford



In both regions, a transfer provided through the Productive Safety Net Programme (PSNP) plus an additional cash transfer of Birr 1,000/month for a household of five would cover half the cost of a nutritious diet for all household members (51% and 52% in Oromiya & Amhara respectively)⁴.

These results can be used to inform calculation of a Minimum Expenditure Basket or other tools used to design assistance.

Fig 5 (left): The effect of the PSNP transfer and cash transfer provided in WFP emergency response on the affordability of nutritious diet.

³ Affordability analysis estimated based on CotD results and household food expenditure data from Ethiopian Socioeconomic Survey of 2015-16, adjusted for inflation to October 2020.

^{4 70%} of the total PSNP transfer value assumed to be available for food purchasing.

Note on Afar and Somali regions

Although similarly impacted by locusts and floods, the regions of Afar and Somali were excluded from this analysis. Food price data available for these areas do not include some nutrient-dense foods due to their low levels of consumption. Using these data would have resulted in unrealistic estimations of the cost of a nutritious diet for these regions.

About this bulletin

This bulletin is produced by EPHI with the support of WFP and reports on the affordability of nutritious diets in Ethiopia based on results from WFP's Fill the Nutrient Gap analysis. It aims to provide relevant, up-to-date data and insights to inform multisectoral interventions such as supplementation, fortification, nutrient-dense food baskets and nutrition-sensitive programming. See previous issues here.

About Fill the Nutrient Gap and Cost of the Diet

Fill the Nutrient Gap (FNG) is a nutrition situation analysis and multi-sectoral decision-making tool created by WFP and partners. FNG combines secondary data review with a Cost of the Diet (CotD) analysis to identify context-specific entry-points for food, health and social protection systems to improve nutrition through increasing availability, access, affordability and choice of nutritious foods.

The CotD tool was developed by Save the Children UK and uses linear optimization to estimate the lowest cost of a diet that meets energy, protein, fat and micronutrient requirements. Affordability is estimated using percentiles of total food expenditure and measured against the cost of the energy only and the nutritious diet cost at zonal level and regional levels. Modelled diets are hypothetical and do not reflect actual consumption. For more information on methodology, see <u>Bose et al (2019)</u> and <u>Deptford et al (2017)</u>.

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