



Market Watch 69

September 2014[†]

Jointly produced by:

WFP-World Food Programme, Nepal
 MoAD-Department of Agriculture, Agribusiness Promotion and Marketing Development Directorate (ABPMDD)
 FNCCI/AEC-Federation of Nepalese Chamber of Commerce and Industries/Agro Enterprise Centre
 CIPF-Consumer's Interest Protection Forum



HIGHLIGHTS

- In September 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the lean season.
- Overall inflation rate in September 2014 was 7.6 percent. The food and beverage group was higher at 10.8 percent, as were several sub-groups: fruits (26.4 percent), vegetables (14.0 percent), cereal grains (11.4 percent), and legume varieties (10.3 percent).

NATIONAL MARKET DEVELOPMENT

Price

In September 2014, retail prices of most food commodities monitored across the country showed an upward trend. On a month-on-month basis, the retail price of coarse rice and wheat flour increased by 2.2 percent and 0.2 percent respectively. Likewise, prices of black gram, broken lentil and soybean oil went up by 2.1 percent, 0.9 percent and 0.2 percent respectively, while that of red potato increased by 18.0 percent due to a decrease in supply. However, the price of chicken meat decreased by 1.2 percent. Compared to three months earlier, most prices showed an upward trend with the exception of soybean oil. Similarly, compared to the same period last year, most prices showed an upward trend (with the exception of mustard oil).

Prices in regional markets showed somewhat different trends than national averages, with an upward trend of coarse rice in the major consumer markets of Kathmandu and Pokhara and the Terai markets, while the price of wheat flour remained stable in all markets with the exception of an upward trend in the Terai markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed a high seasonal fluctuation: prices of pointed gourd, smooth gourd, tomato, French bean, bitter gourd and okra increased by more than 20 percent due to a reduction in supply, while that of cabbage, christophine and dry onion went down by more than 5 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in September 2014 was 209.1, an increase of 0.6 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.6 percent. The food and beverage group of the CPI was 259.9, an increase of 1.1 percent month-on-month, but an increase of 10.8 percent year-on-year; several sub-groups showed higher year-on-year increases: fruits (26.4 percent), vegetables (14.0 percent), cereal grains (11.4 percent), and legume varieties (10.3 percent). The non-food and services group of the CPI was 173.2, a decrease of 0.1 percent month-on-month and an increase of 4.8 percent year-on-year.

Supply

The supply situation has already started to improve in the hill and mountain markets with the end of the monsoon season. According to NeKSAP cluster and district coordinators, traders have started to increase the supply of food and other consumer goods with increased road access in the hill and mountain markets.

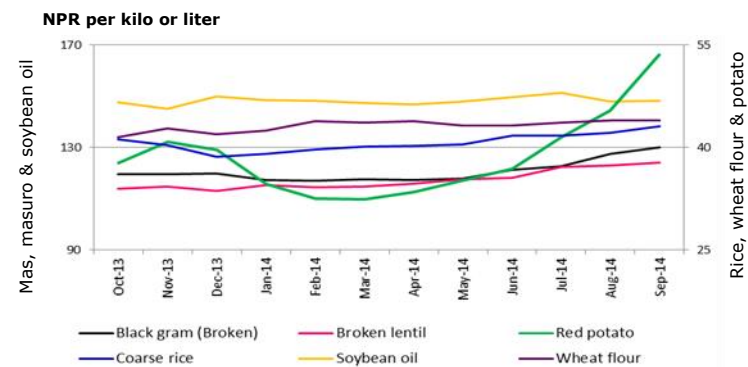
Outlook

Most food prices are likely to remain stable or decrease, mainly because summer crops will start to be harvested from October and market supplies will increase.

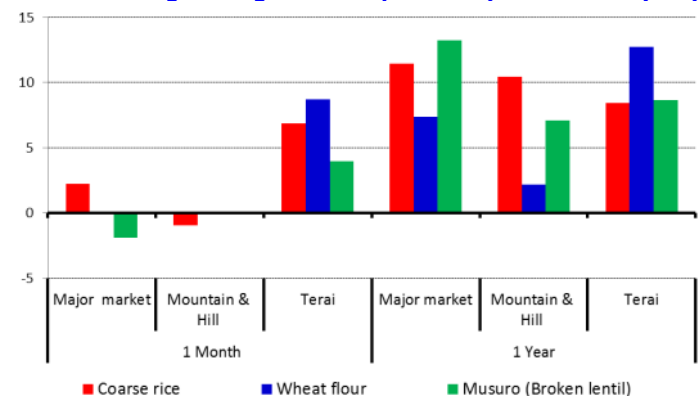
Outlook of summer crops is normal with the exception of areas in the mid- and far-western Terai affected by the floods in mid-August. Household food stocks will increase with the start of the summer crop harvest.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Potato, pointed gourd, smooth gourd, tomato, French bean, bitter gourd and okra	various	> 15	Decrease in supply due to lean season
Cabbage, dry onion and christophine	various	>-5	Increase in supply due to harvest season

Average retail price over 12 months period*



Percentage change in retail prices** (1 month & 1 year)



For the latest information relating to food security in Nepal check out the Nepal Food Security Monitoring System (NeKSAP) google site <http://www.sites.google.com/site/neksap>

[†] Prices relate to the Nepali month of Bhadra 2071.

* Prices are from markets listed on the back of this report, not including 'Hill & Mountain - No Road' markets.

** Change in price considers all markets shown in this report.



नेपाल खाद्य सुरक्षा अनुगमन प्रणाली
 Nepal Food Security Monitoring System (NeKSAP)

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr

Major consumer markets

Kathmandu	Coarse rice	45.0	0.0	0.0	18.4	▶	▶	▲
	Wheat flour	45.0	0.0	4.7	12.5	▶	▶	▶
	Soybean oil	145.0	-1.4	-3.3	0.0	▶	▶	▶
	Chicken	295.0	-20.3	-15.7	-1.7	▼	▼	▶
	Mustard oil	167.0	0.0	0.0	1.2	▶	▶	▶
	Mas (black gram)	125.0	-3.8	4.2	10.6	▶	▶	▶
	Musuro	125.0	-3.8	13.6	21.4	▶	▲	▲
	Potato	70.0	27.3	100.0	89.2	▲	▲	▲

Pokhara	Coarse rice	47.0	4.4	-2.1	4.4	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	2.3	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	-3.4	▶	▶	▶
	Chicken	310.0	0.0	-11.4	10.7	▶	▼	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	150.0	7.1	7.1	20.0	▲	▶	▲
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
	Potato	60.0	50.0	25.0	160.9	▲	▲	▲

Regional Terai markets

Biratnagar	Coarse rice	45.0	12.5	12.5	18.4	▲	▲	▲
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	130.0	0.0	0.0	-3.7	▶	▶	▶
	Chicken	320.0	0.0	10.3	39.1	▶	▲	▲
	Mustard oil	165.0	0.0	0.0	22.2	▶	▶	▲
	Mas (black gram)	135.0	3.8	22.7	35.0	▶	▲	▲
	Musuro	125.0	4.2	8.7	10.6	▶	▶	▶
	Potato	53.0	-3.6	51.4	76.7	▶	▲	▲

Birgunj	Coarse rice	44.0	4.8	15.8	15.8	▶	▲	▲
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	220.0	-26.7	-31.3	37.5	▼	▼	▲
	Mustard oil	190.0	5.6	8.6	5.6	▲	▶	▶
	Mas (black gram)	118.0	10.3	18.0	18.0	▲	▲	▲
	Musuro	120.0	9.1	9.1	9.1	▲	▶	▶
	Potato	50.0	47.1	100.0	117.4	▲	▲	▲

Nepalgunj	Coarse rice	37.0	5.7	2.8	5.7	▲	▶	▶
	Wheat flour	38.0	8.6	0.0	12.8	▲	▶	▶
	Soybean oil	160.0	6.7	6.7	14.3	▲	▶	▶
	Chicken	320.0	18.5	6.7	-	▲	▶	-
	Mustard oil	200.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	-9.8	▶	▶	▶
	Musuro	90.0	0.0	-5.3	-15.1	▶	▶	▼
	Potato	50.0	66.7	66.7	32.6	▲	▲	▲

Dhangadhi	Coarse rice	42.0	13.5	4.5	7.7	▲	▶	▶
	Wheat flour	50.0	35.1	41.2	47.1	▲	▲	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	330.0	-2.9	7.1	10.0	▶	▶	▶
	Mustard oil	160.0	0.0	0.0	-2.4	▶	▶	▶
	Mas (black gram)	143.0	8.3	10.0	16.3	▲	▶	▲
	Musuro	125.0	2.5	-0.8	13.6	▶	▶	▶
	Potato	50.0	0.0	25.0	31.6	▶	▲	▲

▲ Price increase above normal price fluctuation

▶ Normal price fluctuation

▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr

Bhairahawa	Coarse rice	35.0	-2.2	16.7	-5.4	▶	▲	▶
	Wheat flour	40.0	0.0	11.1	21.2	▶	▲	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	300.0	-9.1	0.0	7.1	▼	▶	▶
	Mustard oil	180.0	5.9	5.9	-5.3	▲	▶	▶
	Mas (black gram)	130.0	8.3	18.2	30.0	▲	▲	▲
	Musuro	125.0	4.2	13.6	25.0	▶	▲	▲
	Potato	45.0	25.0	28.6	136.8	▲	▲	▲

Hill and Mountain markets with road access

Dhankuta	Coarse rice	42.0	0.0	0.0	5.0	▶	▶	▶
	Wheat flour	47.0	-2.1	0.0	2.2	▶	▶	▶
	Soybean oil	165.0	-2.9	0.0	10.0	▶	▶	▶
	Chicken	330.0	0.00	3.13	10.00	▶	▶	▶
	Mas (black gram)	120.0	-4.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	0.0	▶	▶	▶
	Potato	70.0	40.0	55.6	55.6	▲	▲	▲

Rolpa	Coarse rice	38.0	8.6	11.8	11.8	▲	▲	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-6.3	▶	▶	▶
	Chicken	330.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	130.0	8.3	18.2	18.2	▲	▲	▲
	Musuro	130.0	0.0	0.0	8.3	▶	▶	▶
	Potato	60.0	0.0	20.0	33.3	▶	▲	▲

Sanabagar	Coarse rice	40.0	-11.1	-11.1	5.3	▼	▼	▶
	Wheat flour	40.0	0.0	-4.8	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-	▶	▶	-
	Chicken	400.0	0.0	5.3	14.3	▶	▶	▶
	Mas (black gram)	125.0	0.0	0.0	4.2	▶	▶	▶
	Musuro	130.0	0.0	0.0	8.3	▶	▶	▶
	Potato	60.0	0.0	50.0	9.1	▶	▲	▶

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	160.0	0.0	-11.1	0.0	▶	▼	▶
	Chicken	440.0	0.0	10.0	10.0	▶	▶	▶
	Mas (black gram)	140.0	-12.5	0.0	3.7	▼	▶	▶
	Musuro	160.0	0.0	14.3	10.3	▶	▲	▶
	Potato	40.0	33.3	33.3	33.3	▲	▲	▲

Bajura	Coarse rice	42.0	-2.3	0.0	-6.7	▶	▶	▶
	Wheat flour	46.0	0.0	9.5	-8.0	▶	▶	▶
	Beans	130.0	0.0	8.3	8.3	▶	▶	▶
	Mas (black gram)	130.0	0.0	-7.1	8.3	▶	▶	▶
	Musuro	130.0	0.0	8.3	8.3	▶	▶	▶
	Potato	35.0	0.0	0.0	0.0	▶	▶	▶

Mountain markets without road access

Humla	Coarse rice*	47.0	0.0	11.9	11.9	▶	▲	▶
	Wheat flour	120.0	-40.0	-50.0	-40.0	▼	▼	▼
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	130.0	8.3	8.3	8.3	▲	▶	▶
	Mas (black gram)	200.0	0.0	-	-	▶	-	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	60.0	-40.0	-40.0	-14.3	▼	▼	▶

Dolpa	Coarse rice	145.0	3.6	20.8	3.6	▶	▲	▶
	Wheat flour	180.0	50.0	50.0	38.5	▲	▲	▲
	Soybean oil	240.0	0.0	118.2	0.0	▶	▲	▶
	Beans	150.0	-6.3	-	-	▼	-	-
	Mas (black gram)	200.0	0.0	-20.0	-20.0	▶	▼	▼
	Musuro	200.0	0.0	-20.0	-20.0	▶	▼	▼
	Potato	35.0	-41.7	-58.8	16.7	▼	▼	▲

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