

Market Watch - 10



Market Watch
28 January 2009

Jointly produced by:

WFP – Food Security Monitoring and Analysis System

MoAC – Department of Agriculture, Agribusiness Promotion and Marketing Development Directorate (ABPMDD)

FNCCI – Federation of Nepalese Chamber of Commerce and Industries

CIPF – Consumer Interest Protection Forum

HIGHLIGHTS

- The two percent increase in the price of coarse rice this month signals the end of the seasonal downward trend in prices after the paddy harvest. The price of coarse rice remains 17 percent higher than the same period last year.
- The price of *musuro* decreased by three percent, but remains 35 percent higher than the same period last year.
- Wheat prices have remained relatively constant compared to last month, but have increased by two percent over the same period last year.
- The recent report of bird flu in the Eastern border town of Jhapa has resulted in a 28 percent decrease in the price of chicken in Kathmandu.

NATIONAL MARKET DEVELOPMENTS

- The seasonal downward trend in rice prices appears to be ending. Coarse rice prices have increased by two percent over last month. Prices are expected to continue increasing until the next harvest.
- Over the last month, the price of *musuro* (broken lentil) declined by three percent with the price of wheat flour relatively stable.
- Mustard oil and soybean oil prices have decreased by 3.5 and 2 percent respectively; this is largely attributable to price reductions of Indian commodities now reaching markets in Nepal.
- Food prices remain higher compared to the same period last year. Coarse rice is up by 17 percent, *musuro* (broken lentil) by 35 percent, and cooking oils by approximately 30 percent.
- Wheat price has shown a modest increase of two percent compared to the same period last year.
- The recent bird flu case in Eastern Terai has adversely affected the poultry business by billions of rupees. The price of chicken has gone down in Kathmandu by 28 percent in the last two weeks alone, while the prices of mutton and fish have gone up significantly.

MARKET OUTLOOK

- Coarse rice prices have increased by two percent over last month. Prices are expected to continue increasing until the next harvest. This upward price trend for coarse rice needs to be closely monitored.
- The government of Nepal is working to contain the recent outbreak of bird flu in the Eastern Terai; however, its impact on the poultry industry including meat prices needs to be closely monitored.
- Temporary repairs to the Koshi river have been completed which should result in the reopening of the damaged portion of the East- West highway. This will improve the movement of goods from the Eastern Terai to the rest of the country, which could translate into decreased commodity prices.
- The cost of transportation still remains high in spite of some reduction in fuel prices

MARKETS/ COMMODITIES WITH LARGEST CHANGE

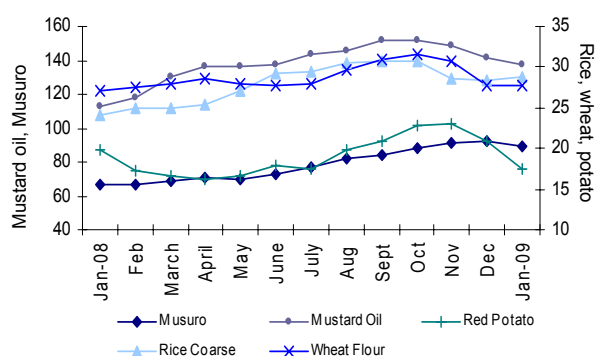
Largest increases in retail prices of key commodities

District or Commodity	Current price (NRs/kg/L)	% change 1 month	Observation
Coarse rice			
Morang	24	6.7%	Could signal a move toward increasing prices until the next harvest.
Pokhara	37	5.7%	

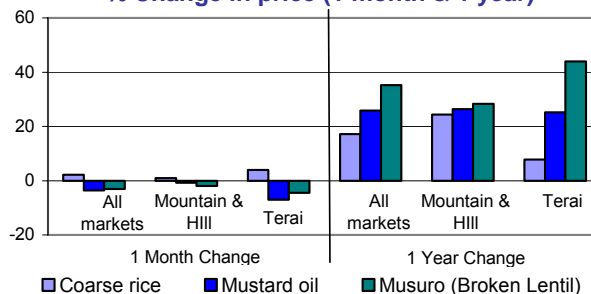
Largest decreases in retail prices of key commodities

District or Commodity	Current price (NRs/kg/L)	% change 1 month	Observation
Kathmandu Chicken	140	- 28%	Decreased demand over fears of bird flu.
Red Potato	Average: 17.55	-18.4%	Recent harvest of potato

Average Price (NPR per ltr or kg) over 12-month Period*



% Change in price (1 month & 1 year)**



* Average prices are taken from markets listed in the back of this report, but does not include Hill & Mountain No Road' markets

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



Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Major consumer markets								
Kathmandu	Coarse rice	40.0	0.0	1.3	40.4	▶	▶	▲
	Wheat flour	34.5	32.7	27.8	43.8	▲	▲	▲
	Soyabean oil	125.0	6.4	6.4	27.6	▲	▶	▲
	Chicken	167.50	-15.2	-16.3	21.8	▼	▼	▲
	Mustard oil	132.50	3.1	-3.3	29.3	▶	▶	▲
	Mas (black gram)	85.50	-0.6	-1.7	27.6	▶	▶	▲
	Musuro	97.50	-5.3	0.5	40.3	▼	▶	▲
	Potato - red	18.50	-5.1	-15.9	-15.9	▼	▼	▼
Pokhara	Coarse rice	37.00	5.7	10.4	56.9	▲	▲	▲
	Wheat flour	28.00	0.0	1.1	0.0	▶	▶	▶
	Soyabean oil	130.00	10.6	10.6	38.4	▲	▲	▲
	Chicken	235.0	0.0	0.0	25.1	▶	▶	▲
	Mustard oil	155.00	8.8	3.3	40.9	▲	▶	▲
	Mas (black gram)	80.00	0.0	-1.2	0.0	▶	▶	▶
	Musuro	100.00	1.0	-4.3	35.2	▶	▶	▲
	Potato - red	19.50	-7.1	0.0	-25.0	▼	▶	▼
Regional Terai markets								
Biratnagar	Coarse rice	24.00	6.7	-5.1	9.1	▲	▶	▶
	Wheat flour	27.00	-6.6	1.9	4.7	▼	▶	▶
	Soyabean oil	115.0	-2.1	-2.1	22.3	▶	▶	▲
	Chicken	195.0	0.0	3.2	13.4	▶	▶	▶
	Mustard oil	127.50	-1.9	-8.9	23.5	▶	▶	▲
	Mas (black gram)	75.75	3.8	14.1	26.3	▶	▲	▲
	Musuro	75.75	-17.2	-15.8	18.4	▼	▼	▲
	Potato - red	13.25	-36.9	-33.8	10.4	▼	▼	▶
Birgunj	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	20.70	-13.0	-13.8	-15.5	▼	▼	▼
	Soyabean oil	180.0	0.0	0.0	28.6	▶	▶	▲
	Chicken	180.0	0.0	12.5	28.6	▶	▲	▲
	Mustard oil	124.00	-6.1	-11.4	27.7	▼	▼	▲
	Mas (black gram)	70.20	-4.1	-5.8	5.1	▶	▶	▶
	Musuro	92.60	-1.1	-0.4	44.7	▶	▶	▲
	Potato - red	11.00	-29.0	-19.1	-26.7	▼	▼	▼
Nepalgunj	Coarse rice	21.00	5.0	-1.2	0.0	▶	▶	▶
	Wheat flour	20.50	-7.5	-0.8	2.5	▼	▶	▶
	Soyabean oil	118.3	7.6	7.6	57.8	▲	▶	▲
	Chicken	185.0	0.0	2.8	15.6	▶	▶	▲
	Mustard oil	130.00	0.0	-1.3	13.0	▶	▶	▶
	Mas (black gram)	64.00	12.3	3.5	-8.6	▲	▶	▶
	Musuro	85.00	-7.1	12.8	54.5	▼	▲	▲
	Potato - red	9.00	-46.3	-55.0	-55.0	▼	▼	▼
Dhangadhi	Coarse rice	22.00	-2.2	-21.4	-	▶	▼	-
	Wheat flour	18.00	-22.4	-28.0	-	▼	▼	-
	Soyabean oil	130.0	10.6	10.6	38.4	▲	▲	▲
	Chicken	200.0	0.0	0.0	-	▶	▶	-
	Mustard oil	100.00	-28.1	-33.3	-	▼	▼	-
	Mas (black gram)	65.00	-13.3	-38.1	-	▼	▼	-
	Musuro	90.00	0.0	15.4	-	▶	▲	-
	Potato - red	11.00	-53.9	-60.7	-	▼	▼	-

* Price comparisons are based on available data. Data received after last months market watch cut off date has been incorporated into the previous month prices as applicable.

- ▲ 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 monthly change over			
			1 m	3 m	1 yr	1m	3m	1yr	
Bhairahawa	Coarse rice	25.0	6.4	-2.0	6.4	▲	▶	▶	
	Wheat flour	24.0	0.0	-5.9	0.0	▶	▶	▶	
	Soyabean oil	120.0	4.4	-4.0	14.3	▶	▶	▶	
	Chicken	170.0	0.0	2.1	30.8	▶	▶	▲	
	Mustard oil	150.0	0.8	0.0	36.4	▶	▶	▲	
	Mas (black gram)	70.00	7.7	12.9	7.7	▲	▲	▶	
	Musuro	98.00	3.2	10.1	58.1	▶	▲	▲	
	Potato - red	8.00	-3.03	-3.03	-	▶	▶	-	
Hill and mountain markets with road access									
Dhankuta	Coarse rice	24.00	0.0	-18.6	-4.0	▶	▼	▶	
	Wheat flour	26.50	0.0	-11.7	-14.5	▶	▼	▶	
	Soyabean oil	130.0	0.0	0.0	39.8	▶	▶	▲	
	Chicken	250.0	0.0	19.0	78.6	▶	▲	▲	
	Mas (black gram)	85.50	3.6	-2.3	6.9	▶	▶	▶	
	Musuro	100.0	11.1	17.6	53.8	▲	▲	▲	
	Potato - red	18.00	-10.0	-10.0	-28.0	▼	▶	▼	
	Coarse rice	26.00	0.0	-7.1	-	▶	▶	-	
Rolpa	Wheat flour	32.00	8.0	6.7	-	▲	▶	-	
	Soyabean oil	135.0	0.7	0.7	-	▶	▶	-	
	Chicken	202.5	0.0	1.3	-	▶	▶	-	
	Mas (black gram)	85.00	6.3	6.3	-	▲	▶	-	
	Musuro	90.00	0.0	16.1	-	▶	▲	-	
	Potato - red	25.00	9.9	19.0	-	▲	▲	-	
	Coarse rice	25.00	0.0	-22	0.0	▶	▼	▶	
	Wheat flour	30.00	0.0	-28.6	0.0	▶	▼	▶	
Sanfebagar	Chicken	250.0	0.0	25.0	25.0	▶	▲	▲	
	Mas (black gram)	80.00	0.0	14.3	0.0	▶	▲	▶	
	Musuro	80.00	0.0	6.7	23.1	▶	▶	▲	
	Potato - red	40.00	-20.0	-20.0	0.0	▼	▼	▶	
	Coarse rice	45.00	0.0	0.0	28.6	▶	▶	▲	
	Wheat flour	45.0	-39.6	-18.2	-2.2	▼	▼	▶	
	Soyabean oil	150.0	-16.7	-16.7	36.4	▼	▼	▲	
	Chicken	260.0	0.0	-9.1	4.0	▶	▶	▶	
Jumla	Mas (black gram)	72.50	3.6	-33.8	-9.4	▶	▼	▶	
	Musuro	80.50	0.6	-2.4	0.6	▶	▶	▶	
	Potato - red	19.75	-1.3	9.7	31.7	▶	▶	▲	
	Hill and Mountain markets without road access								
	Humla	Coarse rice	40.0	0.0	0.0	25.0	▶	▶	▲
		Wheat flour	160.0	+6.7	+6.7	-4.0	▲	▶	▶
		Soyabean oil	280.0	0.0	0.0	40.0	▶	▶	▶
		Beans	45.0	-10.0	-10.0	-	▼	▶	-
Potato - red		30.0	20.0	0.0	20.0	▲	▶	▲	
Coarse rice		70.0	-6.7	-12.5	25.0	▼	▼	▲	
Wheat flour		90.0	0.0	-10.0	0.0	▶	▶	▶	
Soyabean oil		200.0	0.0	-	11.1	▶	-	▶	
Dolpa	Beans	90.0	-10.0	-10.0	-	▼	▶	-	
	Mas (black gram)	130.0	0.0	7.1	-	▶	▶	-	
	Musuro	170.0	0.0	21.4	-	▶	▲	-	
	Potato - red	15.0	-53.1	-50.0	-	▼	▼	-	
	Coarse rice	-	-	-	-	-	-	-	
	Wheat flour	42.0	0.0	-	-2.3	▶	-	▶	
	Beans	70.0	0.0	-	-	▶	-	-	
	Mas (black gram)	80.0	0.0	-	-	▶	-	-	
Bajura	Musuro	100.0	-	-	-	▶	-	-	
	Potato - red	30.0	0.0	-	-	▶	-	-	