



# Market Watch 35

November 2011<sup>†</sup>

Jointly produced by:

WFP-World Food Programme, Nepal  
 MoAC- 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

- **Prices of most staple foods have remained stable over the past one month as a result of improved food supplies and good harvest of summer crops.**
- **The year-on-year inflation released by Nepal Rastra Bank on mid-October 2011 remained stable at 8.9 percent same as last year. The price index of food & beverage went up by 9.6 percent, while the price index of cereal grains marginally increased by 1.8 percent.**
- **Supply situation across the country is so far good due to summer crop harvest and smooth operation of transportation services.**

## NATIONAL MARKET DEVELOPMENT

### Price

In the markets regularly monitored by MoAC and WFP, most food prices are relatively stable with normal fluctuations over the past one month. In November 2011, the national average price of coarse rice increased by 2.3 percent to Rs.35.3 per kilo, while that of wheat flour went down by 1.2 percent to Rs. 34.6 per kilo compared to October 2011. Likewise, the price of black gram climbed by a nominal 0.3 percent to Rs. 108.4 per kilo, but that of broken lentil declined by 1.0 percent to Rs. 90.1 per kilo during the same period. The average price of soyabean oil went up by 3.3 percent to Rs. 122.0 per liter. The highest increase in price is observed in potato which has increased by 16.0 percent to Rs. 35.2 per kilo compared to last month. In comparison to August 2011, most food prices showed a declining trend (except potato), while compared to November 2010, food price fluctuations were within the normal range (less than 10 percent).

Prices of food commodities exhibit a mixed trend in various markets. For instance, price of coarse rice increased by more than 5 percent in the major consumer and mountain & hill markets with road access, while in Terai markets, price decreased by 2.1 percent over the past one month. The price of wheat flour declined by less than 1.5 percent in the major consumer and the Terai markets, but climbed by 1.5 percent in the mountain & hill markets with road access. In the five large wholesale markets (Birtamod, Kathmandu, Butwal, Surkhet and Dhangadi) monitored by FNCCI/AEC, average prices of coarse rice and black gram declined by 2.7 percent and by 1.0 percent respectively, while that of edible oils increased by a nominal 0.7 percent in the past one month.

As per the report released by Nepal Rastra Bank on mid-October 2011, the year-on-year (y-o-y) inflation as measured by consumer price index remained stable at 8.9 percent same as last year. The index of food & beverage increased by 9.6 percent, while that of cereal grains increased marginally by 1.8 percent compared to an 17.1 percent increase in the same period last year. However, the price index of transport climbed by 13.3 percent compared to 8.2 percent in the same period last year.

### Supply

The supply situation across the country has so far remained good due to summer crop harvest and smooth operation of transportation services even in the mountain and hill markets. The report from the WFP FMs mentions that food prices in the eastern hill have increased due to additional costs of load and unload caused by temporary obstruction of ferry boat services on the Koshi river, particularly in Khotang, Okhaldhunga, Bhojpur and Sankhuwasabha districts.

### Outlook

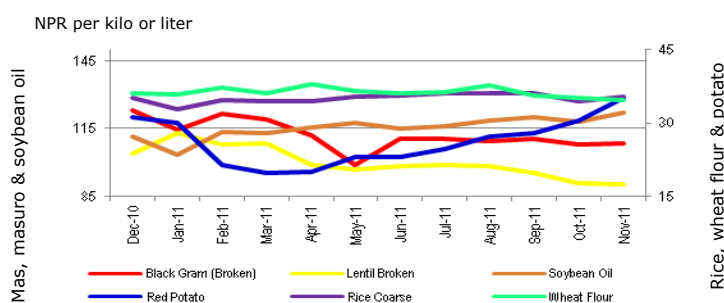
Food prices are likely to decline in the next month due to the harvest of summer crops. However, summer vegetable prices will likely increase in the future because of lean season, while prices of winter vegetables such as cauliflower and cabbage are likely to decline due to sufficient supplies.

The projection of paddy and maize production will increase by 13.7 percent and by 5.4 percent respectively this year compared to last year. This will enhance Nepal's food availability in the FY 2011/12.

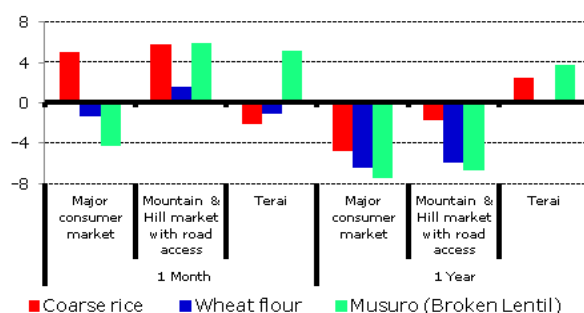
### Largest changes in prices of key commodities

Commodity	Price Rs/kg or liter	% change 1 month	Observation
Potato	35.2	16.0	Reduction in supply due to lean season.

### Average price over 12 month period\*



### Percentage change in prices\*\* (1 month & 1 year)



<sup>†</sup> Prices relate to the Nepali month of Kartik 2068.

\* 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



Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	35.0	2.9	0.0	0.0	▶	▶	▶
	Wheat flour	35.0	-2.8	-2.8	2.9	▶	▶	▶
	Soybean oil	123.0	0.0	-1.6	15.0	▶	▶	▶
	Chicken	235.0	4.4	0.0	17.5	▶	▶	▲
	Mustard oil	133.0	0.0	3.1	17.7	▶	▶	▲
	Mas (black gram)	105.0	0.0	-4.5	-12.5	▶	▶	▶
	Musuro	77.0	-14.4	-25.2	-20.6	▼	▼	▼
	Potato	43.0	22.9	59.3	0.0	▲	▲	▶
Pokhara	Coarse rice	45.0	7.1	0.0	7.1	▲	▶	▶
	Wheat flour	35.0	0.0	-7.9	2.9	▶	▶	▶
	Soybean oil	120.0	-0.8	0.0	9.1	▶	▶	▶
	Chicken	246.0	-8.9	-12.1	-1.6	▼	▼	▶
	Mustard oil	145.0	-3.3	3.6	3.6	▶	▶	▶
	Mas (black gram)	115.0	4.5	0.0	-8.0	▶	▶	▶
	Musuro	90.0	5.9	-5.3	-10.0	▲	▶	▶
	Potato	28.2	1.4	4.4	4.4	▶	▶	▶
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	33.0	10.0	17.9	-2.9	▲	▲	▶
	Wheat flour	30.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	0.0	5.0	19.0	▶	▶	▲
	Chicken	240.0	0.0	7.1	-13.0	▶	▶	▶
	Mustard oil	140.0	0.0	5.3	13.8	▶	▶	▶
	Mas (black gram)	100.0	0.0	0.0	-21.9	▶	▶	▼
	Musuro	75.0	0.0	7.1	-8.5	▶	▶	▶
	Potato	35.0	28.2	34.6	5.4	▲	▲	▶
Birgunj	Coarse rice	31.0	-15.8	-13.9	-24.4	▼	▼	▼
	Wheat flour	30.0	-3.2	-16.7	-14.3	▶	▼	▶
	Soybean oil	130.0	0.0	8.3	18.2	▶	▶	▲
	Chicken	240.0	0.0	0.0	-7.7	▶	▶	▶
	Mustard oil	140.0	-6.7	7.7	12.0	▼	▶	▶
	Mas (black gram)	92.0	0.0	9.5	-20.7	▶	▶	▼
	Musuro	75.0	0.0	-10.7	-20.2	▶	▼	▼
	Potato	36.0	47.5	80.0	-10.0	▲	▲	▶
Nepajgunj	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mustard oil	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	-	-	-	-	-	-	-
Dhangadhi	Coarse rice	35.0	-2.8	-12.5	11.5	▶	▼	▶
	Wheat flour	30.0	0.0	-3.2	11.1	▶	▶	▶
	Soybean oil	100.0	0.0	-4.8	0.0	▶	▶	▶
	Chicken	244.0	-2.4	-2.4	-2.4	▶	▶	▶
	Mustard oil	135.0	3.1	6.3	8.0	▶	▶	▶
	Mas (black gram)	130.0	-1.5	-7.1	-16.9	▶	▶	▼
	Musuro	99.0	-1.0	-1.0	-1.0	▶	▶	▶
	Potato	30.0	-25.0	0.0	50.0	▼	▶	▲

▲ 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.

\* This is the price of NFC subsidized rice, as there is virtually no other stock.

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	-	-	-	-	-	-	-	
	Wheat flour	-	-	-	-	-	-	-	
	Soybean oil	-	-	-	-	-	-	-	
	Chicken	-	-	-	-	-	-	-	
	Mustard oil	-	-	-	-	-	-	-	
	Mas (black gram)	-	-	-	-	-	-	-	
	Musuro	-	-	-	-	-	-	-	
	Potato	-	-	-	-	-	-	-	
<b>Hill and mountain markets with road access</b>									
Dhankuta	Coarse rice	31.0	3.3	-8.8	-11.4	▶	▶	▶	
	Wheat flour	32.0	6.7	6.7	-5.9	▶	▶	▶	
	Soybean oil	125.0	0.0	4.2	16.8	▶	▲	▲	
	Chicken	300.0	0.0	30.4	-4.8	▲	▶	▶	
	Mas (black gram)	120.0	9.1	4.3	0.0	▶	▶	▶	
	Musuro	85.0	3.7	6.3	-7.6	▶	▶	▶	
	Potato	40.0	33.3	33.3	33.3	▲	▲	▲	
	Rolpa	Coarse rice	30.0	20.0	-21.1	0.0	▼	▼	▶
Wheat flour		35.0	6.1	-46.2	-30.0	▼	▼	▼	
Soybean oil		115.0	4.5	-11.5	-11.5	▼	▼	▶	
Chicken		270.0	0.0	-3.6	0.0	▶	▶	▶	
Mas (black gram)		115.0	-8.0	-4.2	-11.5	▶	▶	▶	
Musuro		120.0	14.3	-7.7	9.1	▶	▼	▶	
Potato		35.0	0.0	-12.5	16.7	▼	▼	▲	
Sanfebagar		Coarse rice	38.0	0.0	8.6	5.6	▶	▶	▶
	Wheat flour	35.0	0.0	0.0	0.0	▶	▶	▶	
	Chicken	280.0	0.0	12.0	-15.2	▲	▲	▼	
	Mustard oil	140.0	0.0	0.0	7.7	▶	▶	▶	
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶	
	Musuro	110.0	-8.3	-8.3	-8.3	▶	▶	▶	
	Potato	40.0	0.0	33.3	0.0	▲	▲	▶	
	Jumla	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶
Wheat flour		60.0	0.0	0.0	0.0	▶	▶	▶	
Soybean oil		140.0	0.0	0.0	-12.5	▶	▶	▶	
Chicken		320.0	0.0	0.0	0.0	▶	▶	▶	
Mas (black gram)		100.0	0.0	0.0	-9.1	▶	▶	▶	
Musuro		100.0	0.0	0.0	-	▶	▶	-	
Potato		35.0	0.0	16.7	75.0	▶	▲	▲	
Bajura		Coarse rice	31.0	-11.4	-22.5	-22.5	▼	▼	▼
	Wheat flour	38.0	-5.0	0.0	-9.5	▶	▶	▶	
	Beans	-	-	-	-	-	-	-	
	Mas (black gram)	120.0	9.1	9.1	0.0	▶	▶	▶	
	Musuro	120.0	20.0	9.1	0.0	▶	▶	▶	
	Potato	30.0	20.0	0.0	20.0	▶	▶	▲	
	<b>Hill and Mountain markets without road access</b>								
	Humla	Coarse rice*	40.0	33.3	0.0	-	▲	▶	-
Wheat flour		-	-	-	-	-	-	-	
Soybean oil		280.0	0.0	0.0	-	▶	▶	-	
Beans		100.0	0.0	-16.7	-	▼	▶	-	
Mas (black gram)		-	-	-	-	-	-	-	
Musuro		-	-	-	-	-	-	-	
Potato		30.0	0.0	50.0	-	▶	▲	-	
Dolpa		Coarse rice	100.0	0.0	0.0	5.3	▶	▶	▶
	Wheat flour	130.0	0.0	0.0	0.0	▶	▶	▶	
	Soybean oil	230.0	0.0	0.0	15.0	▶	▶	▶	
	Beans	200.0	0.0	0.0	66.7	▶	▶	▲	
	Mas (black gram)	170.0	0.0	0.0	0.0	▶	▶	▶	
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶	
	Potato	40.0	0.0	0.0	0.0	▶	▶	▶	