



Market Watch 56

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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

- **Retail prices of food commodities monitored in 12 markets across Nepal mostly remained high or marginally increased over the past one month as the supply of food decreased in many districts in the Hills due to reduced road access because of the monsoon.**
- **Supply of food in the Far and Mid-Western Hills and Mountains has started improving due to partial resumption of transportation services, while in the Eastern region the supply of food was partially hampered due to recent landslides in the Koshi highway caused by heavy rainfall.**

NATIONAL MARKET DEVELOPMENT

Price

In August 2013, most retail food prices monitored across the country showed an upward trend as compared to three months earlier and the same period last year (with the exception of red potato and chicken). Retail food prices mostly showed a marginal increase month-on-month: coarse rice and wheat flour increased by 0.4 and 3.4 percent respectively; edible oils, such as soybean and mustard, and broken lentil went up by less than one percent; and red potato increased by 4.5 percent. However, on a month-on-month basis, the price of black gram went down by 1.0 percent, while the price of chicken declined by 11.5 percent, mainly due to a decrease in demand as a result of a bird flu outbreak around the Kathmandu valley.

Food prices in regional markets indicated slightly different trends than the national average, with an increase in the price of coarse rice and wheat flour in the Hill and Mountain markets and a slight decrease in the price of coarse rice in the Terai markets. In the major consumer markets of Kathmandu and Pokhara, the price of coarse rice remained stable. The price of broken lentils showed a mixed trend over the past one month.

Most wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet, and Dhangadhi remained stable or marginally increased over the past month. In the Kalimati Fruits and Vegetables Market, the wholesale price of fresh vegetables showed seasonal fluctuations: prices of bitter gourd, christophine, smooth gourd and brinjal sharply declined due to increasing production, while that of dry onion, cauliflower, cabbage, okra and cow pea went up due to a reduction in supply because of the lean season.

According to Nepal Rastra Bank, in August 2013, the overall consumer price index (CPI) was 193.4, an increase of 1.5% month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.9%. The food and beverage group of the CPI was 232.5, an increase of 2.9% month-on-month and 8.9 percent year-on-year; several sub-groups showed higher year-on-year increases: meat and fish (17.4%), cereal grains (11.5%) and spices (11.0%). The non-food and services group of the CPI was 164.8, an increase of 0.2% month-on-month and 7% year-on-year.

Supply

The food supply situation has started to improve due to the partial resumption of transportation services as well as increased road access, mainly in the Mid and Far Western Hills and Mountains. However, the recent landslides caused by heavy rainfalls have obstructed roads in some parts of the Koshi highway, thereby partially interrupting the food supply in Dhankuta, Sankhuwasava, Bhojpur and Tehrathum districts. This situation needs to be monitored closely.

Outlook

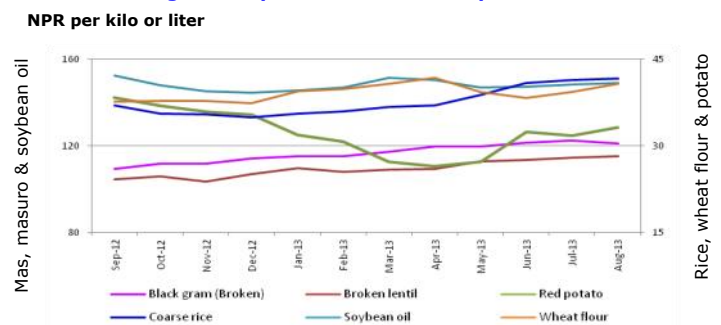
Prices are likely to remain high or increase for most food commodities until the next harvest, which is expected to start at the end of September/beginning of October. The rise in the price of petrol by Rs. 5 per liter and diesel by Rs. 3 per liter may contribute to a rise in transportation costs, which could in turn cause an increase in food prices. Demand for food and non-food commodities is expected to increase in the festival season which will start from next month.

The harvest of maize will increase household food stocks from September onwards, mainly in the Hills.

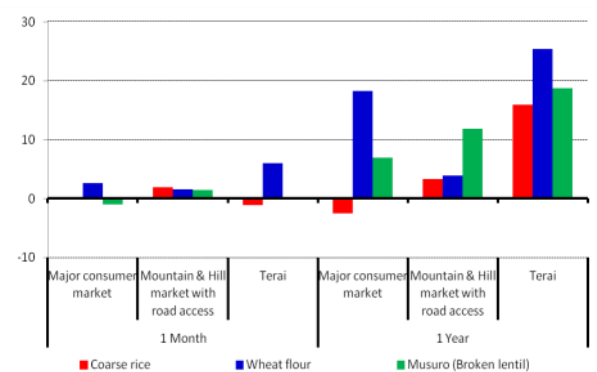
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observation
Petrol and diesel	130 & 103	>3	Appreciation of US Dollar against Nepalese Rupee.
Chicken	273	-11.5	Decrease in demand due to outbreak of bird flu around Kathmandu valley

Average retail price over 12 month 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/nefoodsec>

† Prices relate to the Nepali month of Shrawan 2070.

* 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 change over		
			1 m	3 m	1 yr	1m	3m	1yr

Major consumer markets

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
Kathmandu	Coarse rice	38.0	0.0	0.0	-5.0	▶	▶	▶
	Wheat flour	40.0	5.3	8.1	14.3	▲	▶	▶
	Soybean oil	143.0	2.1	2.1	2.1	▶	▶	▶
	Chicken	210.0	-17.6	-19.2	-17.6	▼	▼	▼
	Mustard oil	175.0	6.1	6.1	-7.9	▲	▶	▶
	Mas (black gram)	113.0	-5.8	0.0	7.6	▼	▶	▶
	Musuro	103.0	-1.9	0.0	0.0	▶	▶	▶
	Potato	37.0	48.0	76.2	8.8	▲	▲	▶
Pokhara	Coarse rice	45.0	0.0	7.1	0.0	▶	▶	▶
	Wheat flour	44.0	0.0	4.8	22.2	▶	▶	▲
	Soybean oil	145.0	0.0	-3.3	-8.2	▶	▶	▶
	Chicken	310.0	0.0	3.3	0.0	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	1.1	▶	▶	▶
	Mas (black gram)	125.0	-3.8	-2.3	5.9	▶	▶	▶
	Musuro	115.0	0.0	9.5	13.9	▶	▶	▶
	Potato	35.0	0.0	40.0	-22.2	▶	▲	▼

Regional Terai markets

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
Biratnagar	Coarse rice	31.0	-3.1	-3.1	1.1	▶	▶	▶
	Wheat flour	37.0	5.7	4.8	32.1	▲	▶	▲
	Soybean oil	155.0	0.0	6.9	9.4	▶	▶	▶
	Chicken	230.0	-17.9	-20.7	-14.3	▼	▼	▶
	Mustard oil	190.0	0.0	8.6	8.6	▶	▶	▶
	Mas (black gram)	115.0	0.0	4.5	27.8	▶	▶	▲
	Musuro	120.0	0.0	14.3	41.2	▶	▲	▲
Potato	32.0	6.7	113.3	-11.1	▲	▲	▶	
Biratnagar	Coarse rice	36.0	0.0	2.9	2.9	▶	▶	▶
	Wheat flour	40.0	21.2	33.3	37.9	▲	▲	▲
	Soybean oil	155.0	-1.9	-3.1	3.3	▶	▶	▶
	Chicken	240.0	-7.7	-20.0	-7.7	▼	▼	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	102.0	0.0	2.0	6.3	▶	▶	▶
	Musuro	110.0	0.0	1.9	18.3	▶	▶	▲
Potato	26.0	18.2	44.4	-13.3	▲	▲	▶	
Nepalgunj	Coarse rice	36.0	0.0	2.9	20.0	▶	▶	▲
	Wheat flour	35.0	0.0	-7.9	9.4	▶	▶	▶
	Soybean oil	135.0	0.0	-3.6	-3.6	▶	▶	▶
	Chicken	235.0	-2.1	-21.7	-16.1	▶	▼	▼
	Mustard oil	200.0	0.0	11.1	11.1	▶	▲	▶
	Mas (black gram)	120.0	0.0	0.0	33.3	▶	▶	▲
	Musuro	105.0	0.0	1.9	16.7	▶	▶	▲
Potato	25.0	0.0	19.0	-16.7	▶	▲	▼	
Dhangadhi	Coarse rice	39.0	-2.5	-2.5	39.3	▶	▶	▲
	Wheat flour	34.0	3.0	3.0	18.1	▶	▶	▲
	Soybean oil	140.0	5.3	5.3	16.7	▲	▶	▲
	Chicken	300.0	0.0	0.0	23.5	▶	▶	▲
	Mustard oil	164.0	-3.5	-1.8	-6.3	▶	▶	▶
	Mas (black gram)	122.0	-6.2	-9.0	-3.9	▼	▶	▶
	Musuro	110.0	0.0	0.0	22.5	▶	▶	▲
Potato	38.0	-2.6	90.0	-13.2	▶	▲	▶	

- ▲ 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 change over		
			1 m	3 m	1 yr	1m	3m	1yr

Bhairahawa	Coarse rice	35.0	0.0	16.7	16.7	▶	▲	▲
	Wheat flour	35.0	0.0	0.0	29.6	▶	▶	▲
	Soybean oil	130.0	0.0	-7.1	-13.3	▶	▶	▶
	Chicken	250.0	-3.8	-10.7	4.2	▶	▼	▶
	Mustard oil	160.0	0.0	-5.9	-11.1	▶	▶	▶
	Mas (black gram)	115.0	-8.0	-8.0	25.0	▼	▶	▲
	Musuro	100.0	0.0	-9.1	-4.8	▶	▶	▶
	Potato	25.0	0.0	25.0	-10.7	▶	▲	▶

Hill and mountain markets with road access

Dhankuta	Coarse rice	38.0	2.7	15.2	22.6	▶	▲	▲
	Wheat flour	33.0	-5.7	-21.4	-5.7	▼	▼	▶
	Soybean oil	150.0	0.0	0.0	3.4	▶	▶	▶
	Chicken	240.0	-14.3	-17.2	-7.7	▼	▼	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	-4.3	0.0	▶	▶	▶
	Potato	30.0	0.0	0.0	-14.3	▶	▶	▶

Rolpa	Coarse rice	60.0	0.0	20.0	76.5	▶	▲	▲
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	155.0	0.0	3.3	3.3	▶	▶	▶
	Chicken	320.0	0.0	6.7	14.3	▶	▶	▶
	Mas (black gram)	115.0	0.0	0.0	4.5	▶	▶	▶
	Musuro	120.0	0.0	4.3	9.1	▶	▶	▶
Potato	50.0	0.0	11.1	25.0	▶	▲	▲	

Sanibabgar	Coarse rice	36.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	350.0	0.0	0.0	0.0	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	-7.7	▶	▶	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato	45.0	0.0	12.5	12.5	▶	▲	▶

Jumla	Coarse rice	60.0	0.0	0.0	33.3	▶	▶	▲
	Wheat flour	60.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	-11.1	0.0	-11.1	▼	▶	▶
	Chicken	350.0	-12.5	-12.5	-	▼	▼	-
	Mas (black gram)	150.0	7.1	15.4	50.0	▲	▲	▲
	Musuro	150.0	7.1	7.1	50.0	▲	▶	▲
	Potato	30.0	0.0	-25.0	-25.0	▶	▼	▼

Bajura	Coarse rice	45.0	7.1	25.0	0.0	▲	▲	▶
	Wheat flour	50.0	13.6	25.0	25.0	▲	▲	▲
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	135.0	0.0	12.5	12.5	▶	▲	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato - red	25.0	0.0	-28.6	-50.0	▶	▼	▼

Mountain markets without road access

Humla	Coarse rice*	42.0	0.0	0.0	5.0	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	-9.1	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	7.1	▶	▶	▶
	Beans	130.0	0.0	8.3	8.3	▶	▶	▶
	Mas (black gram)	0.0	-	-	-	-	-	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	80.0	-20.0	60.0	33.3	▼	▲	▲

Dolpa	Coarse rice	140.0	7.7	16.7	40.0	▲	▲	▲
	Wheat flour	130.0	0.0	8.3	-7.1	▶	▶	▶
	Soybean oil	240.0	0.0	4.3	14.3	▶	▶	▶
	Beans	0.0	-	-	-	-	-	-
	Mas (black gram)	250.0	85.2	8.7	127.3	▲	▶	▲
	Musuro	250.0	-3.8	0.0	19.0	▶	▶	▲
	Potato	30.0	-14.3	-	-40.0	▼	-	▼

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