



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



Market Watch 57

September 2013[†]

HIGHLIGHTS

- **Retail prices of food commodities monitored in 12 markets across Nepal showed mixed trends, with an upward trend in staple cereal prices due to declining supply following normal seasonal patterns and a marginal decline of pulses and edible oils due to improved access to roads with the end of the monsoon season.**
- **Supply of food and non-food commodities has improved in many districts in the Hills and Mountains with the maintenance of roads which were damaged by landslides caused by monsoon rains.**

NATIONAL MARKET DEVELOPMENT

Price

In September 2013, most retail prices of food commodities monitored across the country showed mixed trends as compared to three months earlier and an upward trend as compared to the same period last year (with the exception of edible oils). Retail prices of food commodities showed an increase month-on-month: coarse rice and wheat flour increased by 3.0 and 2.4 percent respectively; red potato and chicken meat climbed sharply by 7.7 and 8.3 percent respectively. However, on a month-on-month basis, prices of black gram and broken lentil declined by 3.4 and 1.2 percent respectively. Likewise the price of soybean oil went down by 1.5 percent. This is due to the partial resumption of transportation services mainly in the Hills and Mountain markets.

In regional markets, most food prices showed similar trends as the national averages, with an upward trend in the price of coarse rice and wheat flour in the Hills and Mountain markets, although these prices remained stable in the major markets of Kathmandu and Pokhara. The price of broken lentils showed a declining 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 marginally increased over the past month. In the Kalimati Fruits and Vegetables Market, the wholesale price of fresh vegetables showed some high seasonal fluctuations: prices of christophine, cauliflower, tomato and cowpea sharply declined due to increasing production, while that of dry onion, okra, smooth gourd, carrot and pumpkin went up with the start of the lean season.

The overall consumer price index (CPI) released by Nepal Rastra Bank in September 2013 was 194.4, an increase of 0.5 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.0 percent. The food and beverage group of the CPI was 234.5, an increase of 0.9 percent month-on-month and 9.4 percent year-on-year; several sub-groups showed higher year-on-year increases: vegetables (18.6 percent), meat and fish (17 percent), cereal grains (10.4 percent) and spices (9.30 percent). The non-food and services group of the CPI was 165.2, an increase of 0.3 percent month-on-month and 6.8 percent year-on-year.

Supply

The food supply situation has already started to improve in the Hill and Mountain districts, as the monsoon season comes to an end. As a result of this, traders have started to stockpile food and necessary goods for the major festivals which start from October. However, the food supply in the Eastern region, mainly Khotang, Okhaldhunga, Bhojpur and Sankhuwasava, has been disrupted because of interruptions to the ferry service over the Koshi River. This has increased the cost of transportation and the delivery time. This situation needs to be monitored closely.

Outlook

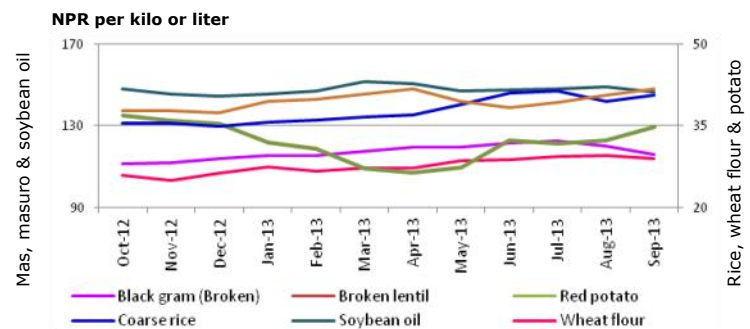
Prices are likely to remain stable or decrease for summer crops which are starting to be harvested from October. Prices of food and non-food commodities, such as meat and oils, are expected to increase during the festival period.

Recent rainfall across the country will help to increase paddy production, mainly in the Terai. Household food stocks will increase with the start of harvesting summer crops, e.g., maize and paddy rice, particularly in the Hills.

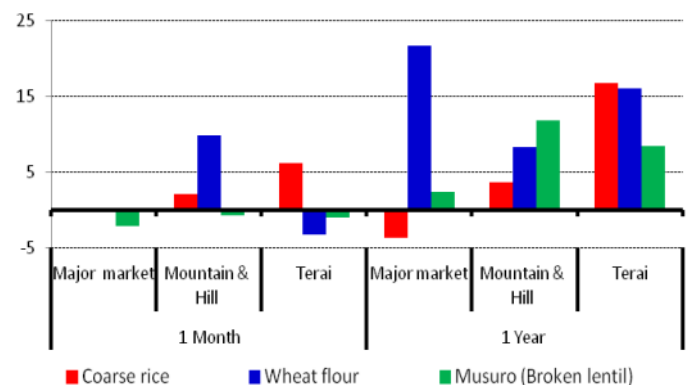
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observation
dry onion, okra, smooth gourd, and pumpkin.	various	>20	Decrease in supply with start of lean season
christophine, tomato, cauliflower and cowpea.	various	>-10	Increase in supply due to harvest season

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/neksap>

[†] Prices relate to the Nepali month of Bhadra 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									
Kathmandu	Coarse rice	38.0	0.0	-2.6	-7.3	▶	▶	▶	
	Wheat flour	40.0	0.0	21.2	17.6	▶	▲	▲	
	Soybean oil	145.0	1.4	9.0	1.4	▶	▶	▶	
	Chicken	300.0	42.9	0.0	7.1	▲	▶	▶	
	Mustard oil	165.0	-5.7	-2.9	-14.5	▼	▶	▶	
	Mas (black gram)	113.0	0.0	-0.9	7.6	▶	▶	▶	
	Musuro	103.0	0.0	-6.4	0.0	▶	▶	▶	
	Potato	37.0	0.0	27.6	-7.5	▶	▲	▶	
Pokhara	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶	
	Wheat flour	44.0	0.0	10.0	25.7	▶	▶	▲	
	Soybean oil	145.0	0.0	-3.3	-9.4	▶	▶	▶	
	Chicken	280.0	-9.7	-3.4	-15.2	▼	▶	▼	
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶	
	Mas (black gram)	125.0	0.0	-2.3	4.2	▶	▶	▶	
	Musuro	110.0	-4.3	4.8	4.8	▶	▶	▶	
	Potato	23.0	-34.3	-23.3	-48.9	▼	▼	▼	
Regional Terai markets									
Biratnagar	Coarse rice	38.0	22.6	11.8	9.6	▲	▲	▶	
	Wheat flour	40.0	8.1	14.3	33.3	▲	▲	▲	
	Soybean oil	135.0	-12.9	-14.6	-10.0	▼	▼	▶	
	Chicken	230.0	0.0	-23.3	-11.5	▶	▼	▶	
	Mustard oil	135.0	-28.9	-28.9	-18.2	▼	▼	▼	
	Mas (black gram)	100.0	-13.0	-13.0	11.1	▼	▼	▶	
	Musuro	113.0	-5.8	-1.7	13.0	▼	▶	▶	
Potato	30.0	-6.3	-14.3	-2.2	▼	▼	▶		
Biratnagar	Coarse rice	38.0	5.6	8.6	8.6	▲	▶	▶	
	Wheat flour	34.0	-15.0	6.3	13.3	▼	▶	▶	
	Soybean oil	150.0	-3.2	-6.3	0.0	▶	▶	▶	
	Chicken	160.0	-33.3	-46.7	-38.5	▼	▼	▼	
	Mustard oil	180.0	0.0	-1.1	0.0	▶	▶	▶	
	Mas (black gram)	100.0	-2.0	0.0	2.0	▶	▶	▶	
Biratnagar	Musuro	110.0	0.0	-4.3	17.0	▶	▶	▲	
	Potato	23.0	-11.5	15.0	-23.3	▼	▲	▼	
	Nepalgunj	Coarse rice	35.0	-2.8	-5.4	16.7	▶	▶	▲
		Wheat flour	33.7	-3.7	-3.7	5.3	▶	▶	▶
		Soybean oil	140.0	3.7	3.7	0.0	▶	▶	▶
		Chicken	-	-	-	-	-	-	-
Mustard oil		200.0	0.0	0.0	11.1	▶	▶	▶	
Mas (black gram)		122.0	1.7	-2.4	35.6	▶	▶	▲	
Musuro		106.0	1.0	1.0	17.8	▶	▶	▶	
Potato	37.7	50.8	88.5	25.7	▲	▲	▲		
Dhangadhi	Coarse rice	39.0	0.0	-2.5	25.8	▶	▶	▲	
	Wheat flour	34.0	0.0	3.0	6.3	▶	▶	▶	
	Soybean oil	140.0	0.0	6.1	14.8	▶	▶	▶	
	Chicken	300.0	0.0	0.0	14.5	▶	▶	▶	
	Mustard oil	164.0	0.0	-3.5	3.8	▶	▶	▶	
	Mas (black gram)	123.0	0.8	-8.2	-8.2	▶	▶	▶	
	Musuro	110.0	0.0	0.0	-0.9	▶	▶	▶	
	Potato	38.0	0.0	-2.6	-5.0	▶	▶	▶	

▲ 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 change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bhairahawa	Coarse rice	37.0	5.7	5.7	23.3	▲	▶	▲
	Wheat flour	33.0	-5.7	-5.7	22.2	▼	▶	▲
	Soybean oil	140.0	7.7	0.0	-6.7	▲	▶	▶
	Chicken	280.0	12.0	7.7	16.7	▲	▶	▲
	Mustard oil	190.0	18.8	26.7	5.6	▲	▲	▶
	Mas (black gram)	100.0	-13.0	-20.0	8.7	▼	▼	▶
	Musuro	100.0	0.0	0.0	-4.8	▶	▶	▶
	Potato	19.0	-24.0	-24.0	-32.1	▼	▼	▼
Hill and mountain markets with road access								
Dhankuta	Coarse rice	40.0	5.3	11.1	21.2	▲	▲	▲
	Wheat flour	46.0	39.4	31.4	31.4	▲	▲	▲
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	300.0	25.0	7.1	7.1	▲	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	-4.3	▶	▶	▶
	Potato	45.0	50.0	50.0	12.5	▶	▶	▶
Rolpa	Coarse rice	34.0	0.0	-32.0	0.0	▶	▼	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	3.2	3.2	6.7	▶	▶	▶
	Chicken	330.0	3.1	10.0	17.9	▶	▶	▲
	Mas (black gram)	110.0	4.8	-4.3	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Sanjibpur	Coarse rice	38.0	5.6	5.6	8.6	▲	▶	▶
	Wheat flour	40.0	0.0	0.0	14.3	▶	▶	▶
	Chicken	350.0	0.0	0.0	9.4	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Jumla	Potato	55.0	22.2	10.0	10.0	▲	▶	▶
	Coarse rice	60.0	0.0	0.0	20.0	▶	▶	▲
	Wheat flour	60.0	0.0	0.0	-14.3	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	-11.1	▶	▶	▶
	Chicken	400.0	14.3	25.0	-	▲	▲	-
	Mas (black gram)	135.0	-10.0	3.8	35.0	▼	▶	▲
Bajura	Musuro	145.0	-3.3	3.6	45.0	▶	▶	▶
	Potato	30.0	0.0	0.0	-14.3	▶	▶	▶
	Coarse rice	45.0	0.0	12.5	0.0	▶	▶	▶
	Wheat flour	55.0	10.0	34.1	10.0	▲	▲	▶
	Beans	120.0	0.0	0.0	-	▶	▶	-
	Mas (black gram)	120.0	-11.1	0.0	0.0	▼	▶	▶
Humla	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato - red	35.0	40.0	16.7	-30.0	▲	▲	▼
	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	120.0	-7.7	-60.0	20.0	▼	▼	▲
Dolpa	Mas (black gram)	0.0	-	-	-	-	▼	-
	Musuro	-	-	-	-	-	-	-
	Potato	70.0	-12.5	16.7	55.6	▼	▲	▲
	Coarse rice	140.0	0.0	16.7	27.3	▶	▶	▶
	Wheat flour	130.0	0.0	8.3	0.0	▶	▶	▶
	Soybean oil	240.0	0.0	4.3	0.0	▶	▶	▶
Dolpa	Beans	-	-	-	-	-	-	-
	Mas (black gram)	250.0	0.0	8.7	19.0	▶	▶	▲
	Musuro	250.0	0.0	0.0	19.0	▶	▶	▶
	Potato	30.0	0.0	-	-25.0	▶	-	▼

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